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# **Daily Report**

## **East Asia**

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# Daily Report

## East Asia

FBIS-EAS-95-011

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**APEC Secretariat Executive Director Interviewed**

*BK1601102495 Singapore THE STRAITS TIMES in English 13 Jan 95 p 7*

[Report by Irene Ngoo]

[FBIS Transcribed Text] Signalling Japan's strong commitment to free trade in the Asia-Pacific region, Tokyo will convene a series of special meetings of senior APEC [Asia-Pacific Economic Cooperation] officials to flesh out an action plan to implement the 2020 free-trade timetable set in Bogor.

Disclosing this yesterday, Mr. Shojiro Imanishi, the new APEC Secretariat's executive director here, said Japan was taking this additional track because it considered trade liberalisation "an extremely important issue requiring special attention".

Japan holds the chair of the Asia-Pacific Economic Cooperation forum this year and faces the challenge of coming up with a blueprint to translate into reality the commitments made by the 18 APEC leaders at their second summit in Bogor, Indonesia last November.

Under the Bogor Declaration, "free and open trade and investment in the Asia-Pacific should be achieved no later than 2020", with the industrialised members meeting the target by 2010.

In an interview with THE STRAITS TIMES at the APEC Secretariat yesterday, Mr. Imanishi, who served as deputy director last year, also spelt out two other priorities under the Japanese leadership.

These concerned facilitation measures, such as standardised Customs procedures, to help businessmen, and cooperation on infrastructure and human resource development to which, he said, Japan was attaching great importance.

He said the Bogor summit had set "very ambitious targets" which would have to be followed up seriously.

In the run-up to November's APEC ministerial meeting and the summit which would be held in Osaka, he added, Japan would be preparing "a great deal of well-considered follow-ups" to get down to the nitty-gritty.

Elaborating on the special senior officials meetings to deal with trade liberalisation, he said: "Implementation of the 2020 free-trade timetable is extremely important and requires a lot of attention. It cannot be dealt with in regular meetings. We have to take another track."

At least five special SOMs [Senior Official Meetings] would be held, with the first taking place back-to-back with the ordinary meeting in Fukuoka in mid-February, according to him.

The 54-year-old veteran diplomat, who has served in many foreign postings in the past 30 years, indicated that implementing the Bogor accord might not be easy.

He pointed to the different levels of development in the diverse APEC economies, each with its own national interests and emphasis, and different degree of preparedness for trade liberalisation.

"The final word in trade liberalisation should come from businessmen. We should take their voices seriously," he said.

During the interview, Mr. Imanishi also spoke of his role in the Secretariat and its heavier workload as the grouping expanded its activities.

But he made it clear that the Secretariat's work was directed by APEC leaders and ministers and its key role was as a support mechanism.

**Stresses Research Capability**

*BK1601111295 Singapore THE STRAITS TIMES in English 13 Jan 95 p 7*

[Report by Irene Ngoo]

[FBIS Transcribed Text] The APEC [Asia-Pacific Economic Cooperation] Secretariat should develop its own research capability to better serve the diverse interests of the 18 member economies, said its new executive director yesterday.

Mr. Shojiro Imanishi, a veteran Japanese diplomat who took over the post last week, said the secretariat should also look into linking up with other research institutions as part of the move. He said that in order to keep abreast with global developments, the secretariat must develop a cooperative network to tap the latest information, without which it could not advance.

Interviewed by THE STRAITS TIMES at the APEC Secretariat yesterday, he said many APEC members had indicated that they would like the secretariat to undertake more research-related work. Such work is now being carried out on a voluntary basis by APEC members, and on their own initiative.

Mr. Imanishi said a task force being set up to review the structure of the secretariat could look into how to carry this out.

Chaired by Indonesia, the task force proposed by Japan at last November's APEC ministerial meeting in Jakarta will recommend ways to strengthen the Singapore-based secretariat to meet its expanding role.

The secretariat has come under considerable strain because it has to deal with a wider range of activities being undertaken by the rapidly-growing grouping.

For example, the number of working groups and committees have increased since the secretariat was set up in 1993 to provide support facilities.

Mr. Imanishi said the secretariat itself need not necessarily have to set up its own research unit but could farm

out research work to a cooperative network linking universities, think-tanks and specialists.

Envisaging a busy year ahead for him, he said his key role would be coordinating the needs and demands of the APEC member economies and his government in the run-up to the Osaka summit.

As deputy director last year, he said he was "just a backseat passenger" but being in the "driver's seat" now, he said he would be able to contribute more to the secretariat's work.

He said he was assisted by a good team of professional directors—who are seconded by their governments—and support staff.

"There's a great deal of comradeship in the secretariat. And my job, as head of the family, is to make sure that they are happy working here," he said.

Mr. Imanishi said he was heartened by the great deal of attention the Singapore Government paid to the secretariat.

Two ministers have visited the secretariat in Alexandra Point building in Alexandra Road and "the treatment we get from both senior and junior government officials has been very good", he added.

Given the present scope of the secretariat's role, he said it was unlikely to become "a dinosaur body" run by bureaucrats like some international organisations.

Mr. Douglas Ryan, the secretariat's public affairs director, described Mr. Imanishi as a "very experienced diplomat" and a "deep thinker".

"He has a sense of purpose and focus and will provide excellent leadership for the secretariat's work," he told THE STRAITS TIMES.

Mr. Imanishi is married and has a teenage son. As his son is preparing for his entrance examination to university, his family stays behind in Tokyo.

"But I fly home about four times a year—and maybe more this year," said the bespectacled impish-looking diplomat.

**Japan To Propose APEC Finance Chiefs' Meeting**  
*OW1401044795 Tokyo KYODO in English 0311 GMT  
14 Jan 95*

[FBIS Transcribed Text] Kuala Lumpur, Jan. 14 KYODO—Japan is to propose sponsoring a meeting of finance ministers of the Asia-Pacific Economic Cooperation (APEC) forum in Japan next year, the third round, a government official said here Saturday [14 January]. The proposal will be presented to the gathering of finance chiefs from the 18 member economies in the region, scheduled for mid-April, said the official accompanying Finance Minister Masayoshi Takemura.

The APEC finance ministers have agreed to further open their financial markets and to expand financing potential in the fast-growing region at their first meeting in Hawaii last year. But Asian nations like China and Malaysia, being pressured to open the domestic markets by the United States, fear that the APEC meeting provides a good opportunity to discuss such liberalization of the financial markets.

**Mekong Basin Development Blueprint Previewed**

*BK1301133695 Bangkok THE NATION in English  
13 Jan 95 p A7*

[FBIS Transcribed Text] The four lower Mekong basin states are to map out the "Basin Development Plan", which will establish priorities and identify projects for the new regional development and cooperation, after the establishment of the Mekong River Commission in the upcoming Chiang Rai meeting in April.

The basin plan, which will serve as the master plan for the entire Mekong development, is a new concept that comes under the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin. The agreement was initialed in Hanoi last November by Cambodia, Laos, Thailand and Vietnam.

The new master plan will replace the suspended Mekong Committee's previous indicative plan, which was featured by the "cascade plan of seven dams" along the Mekong mainstream. However, two mainstream dam projects from the "cascade plan"—one in Laos and the other possibly in Cambodia, are still highly possible. But officials said it will take at least 10-15 years to work on for approval and further accomplishment.

Michael Heyn, United Nations Development Programme (UNDP) regional representative, said the Basin Development Plan will be one of the first things that come under the responsibility of the Mekong River Commission.

"It will be a very comprehensive plan, taking a broad look at all the need and potential for development in this subregion," said Heyn.

According to Prof George E Radosevich, UNDP's legal consultant, the "Basin Development Plan" will focus on both mainstream and tributaries development as the "integrated package".

"It's no longer a series of dams on the mainstream only. The countries may be able to accomplish a lot of that by controlling the tributaries," said Radosevich, who is expert in water law and has worked for UNDP on the Mekong issue for 15 years.

He noted: "Under the new Basin Development Plan, it's an optimization model, how do we best utilize the geographical location. We look at all of the factors featured in the basin all the way from the top in the mountainous region to the low delta area in Cambodia and Vietnam."

He said the previous plan, which was created in the 1950s and revised in the 1960s, was primarily development-oriented programme. The "cascade concept" came from a similar concept on the Columbia River where there are many reservoirs in the same river in a cascade form, said Radosevich.

"We can no longer use the concept of the cascade. Internationally, it is not too acceptable," he told THE NATION, adding the situation in the region has also changed with population increase and new technology together with the rising environment concern.

"At this point in time, the emphasis is not under the old cascade concept. That was when the developmental spirit in the water resource development was very high. That was in the 50s and 60s all over the world," he said.

Radosevich said the cascade concept was primarily based on the theory that water travels downward and is then used and reused to gain the optimum benefit from a single given unit of the water. However, in the future, feasibility of the cascade plan is subject to further benefit-cost analysis, which will take into account social, environmental and economic aspects, said the UNDP legal consultant.

"If we do an environmental, social and economic cost analysis and the plan concludes that we need to have a series of the dams, then perhaps, the cascade concept may come into being," said Radosevich.

He stated that two dam projects in the "cascade plan" are, however, still highly possible for future development. One of these will be the Luang Prabang Dam. He said the dam site would be moved from the original Mekong mainstream to a tributary in Laos as the present site would flood a Laotian cave of religious significance.

He said: "In my feeling, there has to be a minimum of two dams: an upper dam and a lower dam, somewhere from Savannakhet to Chiang Rai, and somewhere from Pakse to Kratie in Cambodia."

He said all projects are based on the unanimous vote of all the member countries.

The new Mekong agreement also allows the trans-water diversion scheme for the upstream Thailand with "notification" for other member states for projects during the wet season and "prior consultation" during the dry season. It is also subject to concerned parties to determine whether a special agreement is needed in relation to the effect it causes on the river, according to the UNDP consultant.

The Mekong River Commission will determine the minimum acceptable flow levels and criteria for selecting sites for stations to monitor the water levels in various parts of the basin.

**Ministerial Meeting on ASEAN Tourism Opens**

*BK1001134095 Bangkok BANGKOK POST in English  
10 Jan 95 p 28*

[FBIS Transcribed Text] The ASEAN Tourism Forum has won increased status with the inclusion of an annual ministerial meeting.

Tourism ministers of four ASEAN members yesterday agreed to establish a new basis of discussion to replace the subcommittee on tourism which was dissolved in 1993.

The forum officially began yesterday, although key organisations in the tourism sector, public and private, began their board meetings on Saturday.

The weekend saw confusion as ASEAN heads of national tourism organisations failed to sign a memorandum to establish an ASEAN Tourism Centre, despite the fact it had been agreed to last year.

The tourism ministers nearly failed to meet yesterday but the Tourism Authority of Thailand (TAT) was able to get them together for a quick session before some left Bangkok.

Dr Sawit Phothiwihok of the Prime Minister's Office, who chairs the Tourism Authority of Thailand, joined ministers of tourism of ASEAN members, excluding Singapore and Brunei, in agreeing to have an unofficial meeting every year.

The meeting will be held on the second day of the annual forum. This is considered important since the subcommittee's dissolution.

ASEAN tourism ministers turned down an Indonesian proposal to set up a permanent body to act on behalf of ASEAN in tourism cooperation and development issues.

Dr Sawit said the proposal was not agreed on mainly because of administrative constraints. The establishment of any central body linking with foreign countries required Cabinet approval.

He did not directly oppose the initiative, but said ASEAN should start by creating a new floor of discussion until it considered a permanent tourism body to be appropriate.

The forum's host country, according to Dr Sawit, will be the secretariat of the ministerial meeting. Indonesia will play this role in 1996 when it hosts the forum in Surabaya.

TAT governor Seri Wangphaichit said private involvement in the forum would be discussed further by national tourism organisations at their mid-year meeting in Kuala Lumpur in August.

This year's forum is the first time foreign buyers participating in the tourism trade exhibition Travex have been required to pay their own expenses. This is to see if Travex can be self-supporting before ASEAN allows a full private role.

The TAT stated about 400 buyers worldwide took part in the exhibition, despite the lack of financial help.

Mr Seri said national tourism chiefs at their August meeting would study ways to integrate tourism plans of ASEAN members.

Japan

**Kono on U.S. Talks, Aid for DPRK Reactor Issue**

*OW1701150995 Tokyo SANKEI SHIMBUN in  
Japanese 14 Jan 95 Morning Edition p 2*

[FBIS Translated Text] Yohei Kono, deputy prime minister and concurrently foreign minister, held a news conference at the Foreign Ministry on 13 January after returning from the United States, which he visited, accompanied by Prime Minister Tomiichi Murayama. As for the fact that the Japanese Government proposed beforehand the idea of issuing a joint declaration at a Japanese-U.S. summit meeting, Kono said: "Prior to the summit meeting, we studied various scenarios and mutually submitted various ideas. We studied various possibilities of how we should treat the year marking the 50th anniversary of the end of World War II and how we could convey our views to the Japanese and American people, as well as to the people of the world. We mutually submitted ideas." In this way, he actually admitted that the United States had rejected the idea [of issuing a joint declaration] by saying that its contents were not appropriate.

As for the issue of forming the "Korean Energy Development Organization" (KEDO), which is an international joint organization for supporting the conversion of North Korean nuclear reactors to light-water reactors, President Clinton stated at the summit meeting that "the United States will also make financial contributions to KEDO activities." In this regard, Foreign Minister Kono explained his view that [the U.S. commitment] to shoulder expenses for building light-water reactors is included in the U.S. contribution.

As for an accord to establish the KEDO, the foreign minister said, "I do not think that concrete figures will be included in it." In this way, he explained his understanding that the costs to the three countries—Japan, the United States, and the ROK—will not be specified in the accord.

**Honda To Procure 90 Percent of U.S. Engine Parts**

*OW1801005695 Tokyo NIHON KEIZAI SHIMBUN in  
Japanese 15 Jan 95 Morning Edition p 5*

[By Toru Miyazawa]

[FBIS Translated Text] Marysville, Ohio, 14 Jan—Honda Motor Company, Ltd. will move toward procuring camshafts, one of the main components of automobile engines, locally in the United States within three years. At present, Honda imports all its camshafts from Japan. This will involve some 2 billion yen in parts shipments and will raise the local procurement ratio of Honda's engines from the present 73 percent to 90 percent.

Camshafts are precision parts and have been considered to be difficult to produce locally. However, the decision to procure locally was made as a result of the improved technical capability of U.S. parts makers, and because this is believed to contribute to reducing production cost.

Camshafts control the inlet valve of the engine. Honda plans to use U.S.-made camshafts for a total of around 500,000 units of the "Accord" and "Civic" models annually, which it manufactures at its production base in the United States, Honda of America Manufacturing (HAM, Ohio). Honda has, so far, imported all its camshafts from the independent parts maker Riken Corporation. However, the appreciation of the yen has resulted in an increase in production costs.

Among Japanese carmakers, HAM has engaged most actively in local procurement. For instance, it does the casting of its engines in the United States. However, it has been reluctant to procure camshafts locally because the camshaft, which opens and closes the inlet valves at high speed, critically affects the performance of the engine. To minimize the number of defective camshafts which it will be produce using U.S. parts makers, Honda is studying ways to simplify the production process as compared to the Riken products.

Japanese carmakers engaged in manufacturing in the United States have all been taking steps to increase their local procurement ratio. However, they all rely on direct imports from Japan for precision parts with high value added, such as engines and automatic transmissions. With the improved technical capability of U.S. parts makers, and the persistent trend of yen appreciation, local procurement of precision parts is also beginning to gain momentum.

**Takemura Urges Further Deregulation of OTC Stocks**

*OW1801114395 Tokyo KYODO in English 1031 GMT  
18 Jan 95*

[FBIS Transcribed Text] Tokyo, Jan. 18 KYODO—Finance Minister Masayoshi Takemura on Wednesday [18 January] urged further deregulation of over-the-counter (OTC) stock listings as part of efforts to drastically transform Japan's economic structure amid intensifying global competition.

"It is necessary to continue efforts for deregulation and liberalization of OTC market systems," Takemura said in a speech addressed to business executives.

Late last year, the Finance Ministry decided to ease the regulations on OTC stock listings from April to facilitate fund-raising by enterprises with high growth potential.

Takemura stressed the need to foster creative new businesses in Japan with a view to competing with overseas economies, especially the United States and Asia.

"Japan's economy is now facing a ~~big~~ brick wall 50 years after the end of World War II," Takemura said, "and how to climb over the wall is a very serious and significant theme for us."

Although there is no clear-cut prescription, the government will take the lead on drastic structural reform, including deregulation, Takemura said.

The government will encourage venture businesses through legislation to promote corporate innovation, policy finance and subsidies among others, Takemura said.

At the same time, Takemura called for corporate efforts to seek originality and higher value-added products and services by keeping an eye on developments in the U.S. and Asian economies.

#### Government Deregulation Stance Criticized

OW1401055895 Tokyo ASAHI SHIMBUN in Japanese  
13 Jan 95 Morning Edition p 3

[FBIS Translated Text] Masahiko Nakanishi, president of Benkan, who is vice president of the Tokyo Chamber of Commerce and Industry and a member of the government's Deregulation Study Committee, lashed out at the government's deregulation stance at a 12 January news conference, saying: "The deregulatory posture of Murayama's government is a partial gesture."

The committee is to map out an agenda of deregulatory measures by early February to build new industries. At the news conference, Nakanishi said: "At meetings, bureaucrats have given long explanations on the need to keep present regulations intact and committee members have not been given time to speak. No coherent agenda of deregulatory measures will come out of this situation. Committee members have always clashed with bureaucrats."

The widely-held view is that regulations on the capital market should be relaxed to make it easy to raise the funds necessary to build new industries and that the current labor system should be revamped to make it easy for workers to change their jobs. At the news conference, he said, "I will strongly demand a relaxation of the capital market regulations and a revamping of the current labor system. This is an important issue for small businesses that are suffering from a shortage of funds and workers." He also stressed that he would make a final assessment of the Murayama cabinet's deregulatory measures after seeing how it relaxes regulations on the capital market and revamps the labor system.

#### Plan Contains 'Few New Steps'

OW1801075795 Tokyo KYODO in English 0727 GMT  
18 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 18 KYODO—The Management and Coordination Agency unveiled on Wednesday [18 January] a 500-point deregulation plan

prepared by ministries and agencies for presentation to the United States at bilateral framework trade talks in Washington later this month. Political and business sources, however, shrugged their shoulders at the program as it contained few new steps.

They said Washington would not be satisfied with the program since most of 500 deregulation steps have already been reported by respective ministries and agencies.

The plan, based on a midterm review of deregulation by respective ministries and agencies, includes an extension of automobile inspection requirements, decontrols on new stock listing and removal or relaxation of restrictions in financial, securities, housing, distribution and transportation industries, agency officials said.

The officials said the government will work out a five-year deregulation program starting in fiscal 1995 by the end of March after taking into account proposals to be made by a government-appointed commission set up within the administrative reform promotion headquarters.

#### Guidelines for Review of U.S. Aviation Accord Set

OW1501150095 Tokyo NIHON KEIZAI SHIMBUN in Japanese  
15 Jan 95 Morning Edition p 3

[FBIS Translated Text] The Transportation Ministry has decided on basic guidelines for the review of the current Japanese-U.S. agreement on aviation services. The ministry considers the present accord to be more advantageous to the United States. Thus, it will propose scrapping the current system, in which approval for opening new routes and increasing flights between Japan and the United States is almost unlimitedly given to U.S. airlines, and it will propose setting rules for demand-supply controls. It will also propose setting a ceiling on the volume of passengers and cargoes that U.S. airlines carry to third countries via Japan in exercising beyond rights [which allow U.S. airlines to extend their routes beyond Japan to third countries]. These proposals are aimed at making Japanese and U.S. companies compete under equal conditions to prevent their disparities in transportation capacity from widening further. Nevertheless, talks with the United States will not be easy.

Japan and the United States began their negotiations on the review of the aviation agreement in 1976, but they have failed to conclude them. The talks have been suspended since August 1993. The two sides will hold unofficial talks in March or April toward resuming the aviation negotiations. Formal aviation talks are expected to be resumed before the end of the year.

The Japanese-U.S. aviation accord signed in 1952 has given three U.S. airlines, including Northwest Airlines, the right to freely open new routes and increase their flights between the two countries and beyond Japan without negotiations. The Transportation Ministry has indicated that it will inform the United States of its

intention to reject U.S. airlines' opening new routes before aviation talks are resumed, and that it will take a tough stand in the talks with the United States.

The ministry hopes to review the current situation in which U.S. airlines are allowed to open new routes between Japan and the United States regardless of the supply-demand trend. It has said, "Detailed measures for the review will be studied from now on." Meanwhile, Japanese airlines expect a screening system will be adopted in which the Transportation Ministry will examine beforehand U.S. airlines' applications for approval to open new routes or to increase flights.

The ministry is to propose that the volume of passengers and cargoes carried by U.S. airlines to third countries beyond Japan be reduced below 50 percent of overall transportation on the routes. It believes: "Transportation between Japan and foreign countries other than the United States has been carried out mainly by U.S. companies. This is not good." The ministry has already applied this policy to the routes subject to beyond rights. However, because the United States has shown great dissatisfaction with the policy, the ministry will clarify how it will deal with the situation.

In bilateral trade negotiations, Japan has been annoyed by the United States' tough stand. However, things are different in aviation talks because U.S. airlines have maintained their competitive strength backed by the rights given to them and the appreciation of the yen against the dollar. The Transportation Ministry thinks that a further widening of the gap in transportation capacity may cripple Japanese airlines' business activities.

#### Tokyo Adopts 'Hard-Line' Aviation Policy

OW1501161595 Tokyo MAINICHI SHIMBUN in Japanese 14 Jan 95 Morning Edition p 1

[FBIS Translated Text] It was disclosed on 13 January that the Japanese Government, in an attempt to equalize the current unfair Japanese-U.S. aviation accord signed in 1952, had informed the United States of a hard-line policy of not granting further air routes to U.S. airlines. The government did this because Japanese airlines could no longer tolerate the unfairness—and for the same reason that Germany, France, and other countries one after another successfully have scrapped their unfair aviation treaties with the United States. It was also disclosed that President Clinton, at the Japanese-U.S. summit meeting held in November during the Asia-Pacific Economic Cooperation (APEC) conference, asked Prime Minister Tomiichi Murayama to approve a U.S. air cargo company's starting new flight services to Japan. It is certain that the recent notice will create new frictions between Japan and the United States because the notice serves as a refusal to accept the request made by the President.

After pulling together all testimony made by officials of the U.S. Department of Transportation [DOT] and other

reports, the United States on 28 December 1994 was informed of the hard-line policy. A U.S. Embassy official was summoned to the Ministry of Transportation [MOT] and was informed that "the approval of Northwest Airlines' application, which was submitted in November, to operate (three weekly) flights between Seattle and Kansai International Airport, will be the final one, and no further approvals for new air routes will be granted to U.S. airlines." At that time, a senior MOT official said, "We cannot approve an unfair expansion of aviation rights." The DOT then passed on the MOT's decision to U.S. airlines. A senior MOT official admits these facts.

In their interpretation of the situation, U.S. DOT officials say that "Japan launched a hard-line policy aimed at getting rid of the unfair treaty."

According to officials concerned, President Clinton, at the Japanese-U.S. summit meeting during the APEC talks, pressured Japan to approve as soon as possible the request of Federal Express, which is a U.S. cargo carrier headquartered in Memphis, Tennessee, to extend its flights to Narita and then to Cebu [in the Philippines]. But the MOT refused to approve the flights.

The Japanese-U.S. aviation accord was concluded in 1952. At that time, Japan had no right to speak for its aviation rights. Accordingly, Japan signed the accord by accepting almost all U.S. demands. Under the accord, Japan enjoys restricted beyond rights (rights to fly beyond the first destination), while the United States enjoys almost unlimited beyond rights. Also, more U.S. airlines than Japanese airlines receive easy approvals when they want to increase the number of their flights. There are significant differences between the rights of the two countries.

In 1972, when Okinawa was returned to Japan, the two countries agreed to "review [the accord] after five years." Comprehensive negotiations on a revision of the accord started in 1976. However, only makeshift settlements were reached in three "tentative agreements" in 1982, 1985, and 1989. The accord itself was left intact.

Meanwhile, other countries one after another over the past several years successfully scrapped their unfair aviation accords with the United States. France abolished its unfair accord in May 1993. Germany dissolved an unfair agreement in May 1994. On the strength of the spirit of "reciprocal fairness," China has been maintaining equality since it signed an accord with the United States.

#### Tokyo Not To Grant Routes to U.S. Airlines

OW1401073295 Tokyo KYODO in English 0715 GMT 14 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 14 KYODO—Japan has informed the United States it will not grant further commercial air routes to U.S. airlines unless the

present bilateral aviation treaty is revised, Transport Ministry officials said Saturday [14 January].

The officials said the treaty is unequal since it gives U.S. airlines almost unlimited rights to fly beyond the first destination in Japan to a third country.

Japan-U.S. working-level aviation talks, originally scheduled to be held this month, are now likely to be postponed to February or later, the officials said.

The officials said the Transport Ministry informed a U.S. embassy official of the decision Dec. 28.

Under the decision, Japan will not permit U.S. airlines to launch new flights in or out of Japan. The last such permission was granted Jan. 5 for Northwest Airlines to operate three weekly flights between Seattle, Washington and Kansai International Airport in western Japan, the officials said.

The ministry has no pending applications for U.S. flights to Japan, but some U.S. airlines have expressed a desire to fly to Kansai International Airport.

The U.S. carrier Federal Express is also seeking to extend its flights to Narita, outside Tokyo, to Subic Bay in the Philippines.

#### Murayama Briefs Okinawan Governor on U.S. Base

*OW1801060495 Naha OKINAWA TIMES in Japanese 18 Jan 95 Morning Edition p 2*

[FBIS Translated Text] Tokyo—Prime Minister Tomiichi Murayama briefed Governor Masahide Ota of Okinawa, who visited him at the prime minister's official residence on 17 January, on his discussions with U.S. President Bill Clinton at the recent Japan-U.S. summit.

Murayama said, "With regard to the three pending issues (relocation of Naha Military Port and two other issues), I have instructed the Ministry of Foreign Affairs and the Defense Agency [DA] to take steps to bring about a tangible solution. I know it will be tough for you, as governor, but I hope you will work for the solution of the problem." He sought the governor's cooperation in looking for substitute sites [for U.S. military facilities].

In response, Ota highly appraised the fact that the issue of consolidating and retrenching military bases was taken up at the summit meeting, terming this epochmaking. He indicated readiness to cooperate, saying, "The governments of both countries are taking a positive attitude. Okinawa will also work with them toward solving the problem."

Meanwhile, the Defense Facilities Administration Agency [DFAA] decided after the cabinet meeting on the morning of 17 January to set up a project team within the DFAA to deal with the so-called three pending issues—complete return of the Naha Military Port, discontinuation of parachuting exercises at the Yomitan

Auxiliary Airfield and the return of the facility, and discontinuation of live firing exercises across Prefectural Highway 104—in view of the prime minister's order to DA Director General Tokuichiro Tamazawa to promote further efforts toward consolidation and retrenchment of U.S. military bases.

During his meeting with Ota, Murayama stressed that he had conveyed the wishes of the Okinawan people during the Japan-U.S. summit and during his meeting with Gen. John Shalikashvili, chairman of the joint chiefs of staff, earlier in the day, and both men understood very well Okinawa's position. He also said, "Okinawa has suffered for a long time over the base issues." With regard to the issue of reorganizing and consolidating the bases, he said this would be "difficult without the prefecture's understanding and cooperation."

In connection with this request for "understanding and cooperation," Ota said after his meeting with Murayama, "On the part of the prefecture, we will take into consideration the prevailing circumstances, and work on a coherent program on the use of returned military land in the prefecture as a whole in order to support the two governments' efforts to tackle the issue."

#### Yen's Swings Said Linked to Mexico Currency Crisis

*OW1701039695 Tokyo KYODO in English 0300 GMT 17 Jan 95*

[FBIS Transcribed Text] Tokyo, Jan. 17 KYODO—Recent fluctuations of the yen in the currency markets do not reflect economic fundamentals but are reverberations from the crash of the Mexican peso. Economic Planning Chief Masahiko Komura said Tuesday [17 January].

The director general of the Economic Planning Agency (EPA) said he told U.S. President Bill Clinton's top economic adviser, Laura Tyson, that he recognizes "the temporary yen swings as one of a series of movements related to the peso's crash."

Reporting on his recent trip to the United States at a regular news conference after a morning cabinet meeting, Komura said the Japanese currency's rate, now around 98 yen to the dollar, does not reflect fundamentals.

He said he expects that "after a while it will go in a direction more reflective of fundamentals" but said he does not know how long that will take.

At a meeting of economic ministers that adopted the EPA's monthly economic assessment and at the subsequent full cabinet meeting, there were no discussions of the state of Japan's economy, he said.

Bank of Japan Governor Yasuo Matsushita told the economic meeting that the central-bank-led bailout of two debt-swamped credit associations was unavoidable to ensure order in the overall financial system, but some

ministers asked for the central bank and the Finance Ministry to report more fully on the bailout, Komura said.

### G-7 To Discuss Markets After Mexican Crisis

OW1701121395 Tokyo KYODO in English 1140 GMT  
17 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 17 KYODO—Financial officials from the Group of Seven (G-7) major industrial nations are likely to discuss measures to deal with turmoil stemming from the Mexican currency crisis, at their next meeting possibly in early February, international financial sources said Tuesday [17 January].

The crash of the Mexican peso following sudden devaluation late last month has affected overseas financial markets, sharply lowering currencies and stock prices in Europe and Asia.

In regard to international fund flows, G-7 finance ministers and central bankers are highly likely to give priority to measures to stabilize financial markets, the sources said.

The Mexican crisis has swayed markets in Brazil and Argentina, where stock prices suddenly plunged and remained sluggish after the new year.

In Europe, political uncertainty has accelerated drops in the Italian lira and Spanish peseta.

In Asian markets, the Hong Kong dollar and Thai baht sharply fell last week.

Foreign exchange market watchers attributed these tumbles to successive moves to withdraw international investment funds from newly emerging markets, which had attracted such funds.

If the international money flow becomes inactive, a possible lack of funds rushing into economically developing areas might check growth in the global economy as a whole, the sources said.

In the United States there is speculation that it will become difficult to raise key U.S. interest rates to prevent an overheating of the economy because of considerations of Mexico, said an economist affiliated with a commercial bank.

An 18 billion dollar international financial aid package to help Mexico overcome the currency crisis has so far failed to erase the unrest, the sources said.

The yen and German mark have gained ground with money fleeing to the currencies, they said.

Amid emerging concerns about a greater impact on Japan's economy after the yen rose above the 100 yen level last week, the Finance Ministry and the Bank of Japan are determined to act positively in the matter.

### Impact of Currency Crisis in Mexico Viewed

OW1601044495 Tokyo MAINICHI SHIMBUN in Japanese 15 Jan 95 Morning Edition p 5

[Editorial: "International Cooperation Required for Currency Stability"]

[FBIS Translated Text] The currency crisis in Mexico is causing major repercussions in exchange markets around the world. Although the U.S. Government and international financial institutions have announced an \$18 billion package of assistance to Mexico to help defuse the currency crisis, the world exchange markets remain unstable and the impact of the currency crisis is now spreading to Europe and Asia.

The U.S. Government and the Federal Reserve Board (FRB) have pledged \$40 billion in loans and fund-raising guarantees. Meanwhile, the world exchange markets returned to calm last weekend only after the Mexican Government announced a plan to use Mexican oil revenues as a security for fund-raising guarantees.

In Mexico, imports and the trade deficit have grown while the political situation has remained unstable. These factors have triggered the currency crisis. However, the primary cause of the currency crisis are the fall in Mexico's foreign currency reserves and Mexico's failure to pay back foreign debts on time.

In that sense, the latest currency crisis is different from the debt crisis that occurred in Mexico in the summer of 1982. At the time, the fiscal deficit and inflation ran sky high, exposing problems involving the entire economic structure in that country. The fiscal deficit and inflation have been significantly reined in since that time.

There is a high possibility that the currency crisis in Mexico will end with the issue of the uncertain economy in that country. It seems unlikely that the currency crisis in Mexico will create a situation where taxes paid by the peoples of other nations are used as financial assistance to Mexico.

The world currency and financial markets are increasingly becoming intertwined and the flow of money is sharply growing around the world. The exchange policy the currency authorities of Mexico have adopted to keep the peso's value at a higher level than its actual market value for the eventual purpose of reining in inflation has run into a fierce backlash from the exchange markets.

The fact is that the currency instability in Mexico has spread not only to other South American nations, but to Spain, Italy, and to such Asian places as Thailand and Hong Kong. In other words, the currency instability is not a phenomenon that is confined to a specific nation. This shows the urgency for currency authorities around the world to cooperate with each other in dealing with currency instability.

Looking at the world economy, thanks to the reconciliation of the East and West following the end of the Cold

War, China's economy recovered from 1990 to 1992, and the economies of the United States, European nations, and Japan have continued to recover. Now, the world economy is entering a phase of simultaneous recovery. What is occurring in the process of simultaneous recovery is a tight supply of funds.

The United States once relied on direct investment from abroad to raise funds necessary to make up for its fiscal deficit. As direct investment has dwindled, the United States has shifted its dependence to the purchase of the dollar by Asian central banks. Now the United States is raising funds from short-term financial markets to make up for the fiscal deficit.

In a word, the simultaneous recovery of the world economy has led many nations in the world to scramble for funds. The currency crisis in Mexico has stemmed from the decline in the inflow of funds from the United States that has been preoccupied with making up for the current account deficit and the flight of capital from Mexico.

Therefore, the finance ministers and governors of central banks of the seven industrialized nations (G-7) should hold talks at an early time to analyze the situation and discuss coordinated measures to deal with the situation.

The currency authorities of Japan, a nation with surplus savings and huge amounts of foreign currency, should aggressively cooperate with other nations in dealing with the situation. As seen in the fact that the latest currency instability has made the yen strong, this situation is a minus for Japan's economy. We hope that Japan itself will display leadership in the G-7 talks.

It is a matter of course that the United States plays a leading role providing financial assistance to Mexico to defend the North America free trade market. Japan needs to provide more than official financial assistance to Mexico. Japan should deal aggressively with the currency crisis in Mexico.

The Mexican Government has asked Japanese private banks to provide financial assistance and the request from the Mexican Government is a matter for those Japanese private banks to decide on the basis of a medium and long-term judgment. It is undesirable that currency authorities push the private banks around.

#### **Editorial Blames U.S. for Mexican Peso Crisis**

*OW1201141595 Tokyo YOMIURI SHIMBUN in Japanese 12 Jan 95 Morning Edition p 3*

[Editorial: "Measures Urgently Needed to Bail Mexico Out of Currency Crisis"]

[FBIS Translated Text] Latin America is said to be the second largest global economic growth center next to Asia. However, since early this month, the region has been jolted by the currency crisis facing Mexico, which devalued its currency, the peso, in late December.

The crisis began after the U.S. and other foreign investors moved to recall their capital from Mexico and the value of the peso against the U.S. dollar plunged. This week, the crisis induced a sharp decline in stocks and bonds in other Latin American countries such as Brazil, Argentine, Chile, and Peru.

If the current financial problems in Latin America are left unsolved, it could invite worries over global currencies, thus hindering concerted efforts by major economies to pull the world economy out of recession.

Not only Mexico but also the United States and Canada, which maintain close relations with Mexico as members of the North American Free Trade Agreement (NAFTA), as well as Japan and European nations should cooperate in taking quick measures to resolve the crisis.

During the 1980's, Mexico's financial problems triggered a foreign debt crisis in Latin America. However, the Mexican economy showed signs of recovery after Japan, the United States, and European countries—creditor nations—reduced Mexico's principal debts and interest payments and former Mexican President Carlos Salinas actively promoted economic reform. The Mexican economy continued to grow for eight consecutive years until 1994. Mexico expected its economy to achieve an annual growth rate of more than four percent in 1995 and 1996.

In January of 1994, Mexico participated in the NAFTA treaty and in April, it was admitted to the Organization for Economic Cooperation and Development (OECD), thus virtually joining the group of industrialized countries. However, after these moves Mexico's imports, particularly from the United States, rapidly increased and its current account deficit swelled.

This was exacerbated by political instability triggered by aborigines' rebellion in Chiapas. Fearing an outflow of foreign investment capital, the Mexican Government intervened in currency markets until mid-December to shore up the peso, which could have otherwise gone into a sharp plunge. However, Mexico had to devalue its currency as it was beginning to deplete its foreign reserves needed for intervention, thus triggering the ongoing currency crisis.

As a measure to bail Mexico out of the crisis, Japan, the United States, and European nations announced earlier this month an international aid plan to provide Mexico with \$18 billion in exchange stabilization funds. In addition, President Ernesto Zedillo has formulated an emergency economic package aimed at curbing inflation and the deficit, a main cause of the peso's plunge.

Nevertheless, the only specific measure officially approved is a plan to extend a loan totaling \$5 billion from Japan and other industrialized nations through the Bank for International Settlements (BIS).

Loans of \$9 billion from the United States, \$1 billion from Canada, and \$3 billion from Japanese, U.S., and

European banks have not yet been given their final approvals. The Mexican Government is also slow in implementing its emergency economic policies.

Mexico's deficit, the primary cause for the currency crisis, went up after the country signed the NAFTA accord. The Mexican Government should be held responsible for joining the group of advanced nations without eliminating major gaps in economic power between itself and the United States and Canada.

The United States is also to blame. It urged Mexico to join NAFTA in an attempt to help invigorate its own economy through exports to and investment in the Mexican market. The United States, in effect, has greatly increased exports to Mexico.

We urge the U.S. Government to make a quick decision on a plan to extend a loan to Mexico as a pillar of the global financial aid package and work to help the Mexican Government stabilize its economy.

#### Takemura Asian Visit, ASEAN Policies Discussed

OW1701130795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Jan 95 Morning Edition p 3

[Article by correspondent Mahito Shimizu]

[FBIS Translated Text] Singapore—Finance Minister Masayoshi Takemura will return to Japan on 15 January after winding up his tour of Asian nations. China and Malaysia have made one request after another concerning the holding of an informal summit of the Asia-Pacific Economic Cooperation [APEC] forum scheduled to be hosted by Japan in Osaka in November. Japan is already faced with difficulties in coordinating APEC member nations' positions. The finance minister has revealed a sense of crisis, saying: "The coordination of the APEC member nations is an issue that involves the basis of Japan's future foreign policy. We will have to coordinate among APEC member nations with a firm resolve." "While some APEC member states often say that China is a developing country, other APEC member states say it is not a developing country." At a meeting with the finance minister, Chinese Deputy Premier Zhu Rongji implicitly accused the United States of pushing China for trade liberalization on a par with that of industrialized nations. By saying, "I am grateful to Japan for its understanding and support of China," he did not forget to block the Japanese Government from seeking China's trade liberalization.

Ibrahim Anwar, Malaysian deputy prime minister and finance minister, asked Finance Minister Takemura about the settling of negotiations on the financial services sector under the Japanese-U.S. economic framework talks. His question showed how ASEAN members are wary of "what sort of request the United States will make to them to open up their financial markets."

While the United States is trying to gain access to Asian markets after pushing for their liberalization, China and Malaysia are reacting against the U.S. attempt. Caught between them, Japan, as the host nation for the informal APEC summit, is in charge of shaping action guidelines for trade liberalization in the region. However, Japan has yet to unveil them.

During his tour of Asian nations, the finance minister's agony reached the point that he offered an instance of "lip service" that could be interpreted as positively evaluating the East Asia Economic Caucus (EAEC), the establishment of which has been proposed by Malaysian Prime Minister Mahathir but which excludes the United States. The United States, therefore, is expected to react against its exclusion from the EAEC. If Japan continues to give makeshift responses to demands from other APEC member states, it will be sandwiched between the United States and Asian nations.

#### DPRK Nuclear Program Talks Stall, New Round Set

OW1401003195 Tokyo KYODO in English 2359 GMT 13 Jan 95

[FBIS Transcribed Text] Washington, Jan. 13 KYODO—Japan, the United States and South Korea failed Friday [13 January] to reach agreement on setting up an international consortium for North Korea's nuclear power program, prompting the three parties to decide to meet again in Tokyo soon, diplomatic sources said.

The sources said negotiators from the three countries could not agree on details of documents for the establishment of the Korean Energy Development Organization (KEDO).

In the course of working-level talks in Washington on Thursday, the U.S. agreed to go along with South Korea's request for the mention of its standard reactor as the type being considered for North Korea. But U.S. officials came up with other conditions, a development which led to the rupture in the three-way nuclear talks, the sources said.

The sources did say that Japan, the U.S. and South Korea have reached agreement on a draft contract for providing North Korea with two light-water nuclear reactors in return for Pyongyang's promise not to pursue a nuclear weapons development program.

Since one or two additional rounds of trilateral talks are believed to be necessary to iron out remaining differences, the founding of the consortium will probably have to wait until the end of February, the sources said.

A senior U.S. State Department official in charge of North Korean affairs will start negotiating the consortium's contract with Pyongyang in a third country at the end of this month, the sources added.

U.S. Government officials will visit North Korea on Jan. 17-21 to prepare for an expert meeting on the handling of thousands of spent nuclear fuel rods that are currently kept at storage ponds at a nuclear complex in Yongbyon, some 90 kilometers north of Pyongyang.

At a news conference Friday, a State Department spokesman said that the talks had made major progress and solved a number of technical problems, but did not go into detail.

South Korea's YONHAP news agency reported Friday the difference of opinions revolved around Seoul's demand that the "South Korean-style reactor model" to be used be specified.

Negotiators agreed to name South Korea's nuclear reactors Uljin No. 3 and No. 4 as reference models in the contract with North Korea, but failed to reach agreement over how to word the respective phrase in the draft accord for the consortium, YONHAP reported.

#### PRC Urged To Refrain From Nuclear Testing

OW1301132295 Tokyo KYODO in English 1306 GMT  
13 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 13 KYODO—Japan renewed its call Friday [13 January] for Chinese restraint on nuclear tests during a meeting in Tokyo of Japanese diplomats and defense officials with their Chinese counterparts.

The Chinese side simply described its nuclear tests as "limited" in responding to the Japanese appeal made at the second Japan-China meeting on security, Japanese officials said.

The Japanese side briefed the Chinese on an ongoing plan to develop a U.S.-proposed theater missile defense (TMD) system designed to counter more than one target in a systematic manner, saying that the plan is for defensive purposes and is still under research, they said.

Among other topics at the meeting, the Chinese participants noted that the situation in North Korea is stable as far as they have been informed, they added.

The Japanese participants included Shunji Yanai, director general of the Foreign Policy Bureau at the Foreign Ministry, and Yutaka Kawashima, director general of the Asian Affairs Bureau at the ministry.

Among the Chinese participants were Fu Xuezhang, director general of the Department of Asian Affairs at China's Foreign Ministry, and Jiang Hong, senior colonel at China's Ministry of National Defense.

#### China To Allow Banks To Open Beijing Branches

OW1401044695 Tokyo KYODO in English 0307 GMT  
14 Jan 95

[FBIS Transcribed Text] Kuala Lumpur, Jan. 14 KYODO—China is ready to permit a few Japanese

banks, including the Bank of Tokyo, to open branches in Beijing to encourage finance for big infrastructure projects under way, a Japanese Government official said here Saturday [14 January].

The official, who accompanies Finance Minister Masayoshi Takemura, said the People's Bank of China has formally told Japan's Finance Ministry that the licenses to open branches in the Chinese capital will be granted to the Japanese banks soon.

The Bank of Tokyo will probably become the first Japanese bank with a branch in Beijing, the source said. The other banks will be picked up from a list of Japanese banks like Sanwa Bank and the Industrial Bank of Japan.

The Chinese Central Bank has allowed foreign banks to open branches only in coastal cities like Shanghai and Dalian, while foreign banks are allowed to have representative offices in Beijing mainly for liaison purposes and information-gathering activities alone.

Along with Japanese banks, U.S. and European banks hope to open branches in Beijing to meet with growing fund demand as a result of China's market-opening measures.

#### 15 New Offices To Open

OW1301025495 Tokyo KYODO in English 0036 GMT  
13 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 13 KYODO—The Finance Ministry is to give the go-ahead in the second half of the current business year, which ends March 31, to plans of 15 Japanese banks to open 19 representative offices or branches in Asia, an economic daily reported Friday [13 January].

The banks include Fuji Bank and the long-term Credit Bank of Japan, the NIHON KEIZAI SHIMBUN said.

In the first half of fiscal 1994, about 85 percent of the 26 approved overseas operations were in Asia.

Of the 19 new Asian operations, 15 representative offices or branches are to be located in China. Some will be opened in Chengdu, Sichuan Province, and Wuhan, Hubei Province, becoming the first offices to be set up in inland China.

This reflects Japanese businesses' desire to enter the big market, the daily said.

The remaining four representative offices or branches are to be opened in India, Myanmar, Thailand and Vietnam, it said.

But it will take six months or one year for the banks to get formal approval from the ministry, according to the daily.

#### Government Said in Disarray Over Yen Loans to PRC

OW1801035495 Tokyo SANKEI SHIMBUN in Japanese 16 Jan 95 Morning Edition p 1

[FBIS Translated Text] Finance Minister Masayoshi Takemura, during his recent visit to China, reached an

agreement with Chinese officials that Japan will extend \$2 billion (approximately 200 billion yen) in new loans to China through the Export and Import Bank of Japan [EIBJ]. But it was learned on 15 January that the finance minister had not coordinated with the Foreign Ministry prior to striking the deal with Chinese officials. Late last year, Japan agreed with China on the fourth set of yen loans to China. In a slap at China, which conducted a series of nuclear tests after defying a warning from the Japanese Government, the Japanese Government sharply slashed the amount of the fourth set of yen loans. The Foreign Ministry is accusing the finance minister of "diluting the significance of slashing the amount of the fourth set of yen loans to China and taking an action inconsistent with Japan's policy toward China." Depending on circumstances, Foreign Minister Yohei Kono and Finance Minister Takemura are likely to meet to coordinate their views on Japan's yen loans to China.

Finance Minister Takemura and Chinese Deputy Premier Zhu Rongji, who is in charge of managing China's economy, reached the agreement at their meeting on 9 January that Japan will extend \$2 billion in loans to China through the EIBJ. At the meeting, Finance Minister Takemura said, "The Japanese Government has decided to examine providing China with approximately \$2 billion in loans through the EIBJ that China has long requested." In this way, the finance minister indicated that the Japanese Government would study the possibility of extending the loans through the EIBJ for the construction of plants in China.

Commenting on the finance minister's agreement and statement, the Foreign Ministry has said: "The Finance Ministry never coordinated with us about the new loans prior to the finance minister's visit to China. His commitment came as a surprise to us." (according to a senior Foreign Ministry official). On 10 January, Administrative Vice Foreign Minister Kunihiko Saito informally conveyed the Foreign Ministry's unhappiness to the Finance Ministry.

The Foreign Ministry is asserting: "The handling of EIBJ loans unquestionably falls within the purview of the Finance Ministry. But diplomacy and economic cooperation are under the jurisdiction of the Foreign Ministry. Even if the loans are extended by the EIBJ, the Finance Ministry could not decide on it unilaterally. The Finance Ministry should have coordinated with us in advance. The finance minister's commitment could undermine the consistency of Japan's diplomacy."

What the Foreign Ministry is taking seriously is the point that the "finance minister's commitment could undermine the consistency of Japan's diplomacy." Japan will extend the fourth set of yen loans to China for three years beginning in 1996. China asked Japan to increase the total amount of the fourth set of yen loans to 700 billion yen. But, the Foreign Ministry reacted against China's request by claiming that "China's repeated nuclear tests in defiance of the warning from Japan and its increase in

military spending run counter to the Guideline for the Official Development Assistance (ODA) that prohibits the Japanese Government from providing ODA to any nations eager to develop nuclear weapons and build up military strength." The Foreign Ministry decided to slash the total amount of the fourth set of yen loans to 580 billion yen and promised China to provide that amount in the fourth set of yen loans from the standpoint that a friendly Japan-China relationship will contribute to the stability of Asia.

If Japan provides \$2 billion (approximately 200 billion yen) in EIBJ loans to China, Japan's total yen loans to China, combined with 580 billion yen in the fourth set of yen loans, will amount to a huge sum of 780 billion yen. This amount far exceeds the 700 billion yen sought by China.

The Finance Ministry says: "Our judgment is that if China's economy goes off track, this would lead to the downfall of Deputy Premier Zhu Rongji and other Chinese leaders who champion China's opening up and reform policy. This situation in China will be a minus for Japan, as well as other Asian nations." The Foreign Ministry, however, is criticizing the Finance Ministry's handling of yen loans to China by asserting: "As a result, the amount of yen loans to China far exceeds what China has requested, virtually invalidating the guideline for ODA. This situation will make it difficult for Japan to conduct its diplomacy toward China."

#### Scientists, Russians To Work on Radiation Data OW1301102195 Tokyo KYODO in English 1005 GMT 13 Jan 95

[FBIS Transcribed Text] Chelyabinsk, Russia, Jan. 13 KYODO—Japanese and Russian scientists are to advance cooperation in research into the effects of nuclear radiation on humans thanks to a three-day symposium on the subject which ended Thursday [12 January] in the southern Urals city of Chelyabinsk.

The symposium, which examined the impact of long-term exposure to radiation from nuclear facilities in the closed town of Chelyabinsk 65, brought together some 130 experts from eight countries, including Russia, the United States and Japan. Chelyabinsk 65 is 100 kilometers northwest of Chelyabinsk.

The experts compared data from the Chelyabinsk contamination, the 1986 disaster at the Chernobyl nuclear reactor in Ukraine, and the August 1945 atomic bombings of Hiroshima and Nagasaki.

During the symposium, Russian scientists outlined the extent of contamination from the town's Mayak nuclear plant and its related facilities.

Japanese experts from the Radiation Effects Research Foundation in Hiroshima, using data from their Russian colleagues, reported on their findings on the genetic

effects of exposure to radiation among residents who drink water from the contaminated Techa river.

As a result, experts from the foundation agreed with their Russian colleagues to embark on a joint research effort in which the Japanese side will make available almost half a century's worth of data on victims of radiation from the atomic bombings of Hiroshima and Nagasaki.

The Japanese data will be used to help treat Russian workers at the Mayak plant who have become victims of radiation.

A. V. Akleyev, head of the Urals Research Center for Radiation Medicine, which sponsored the symposium, said data presented by the foundation staff at the meeting, particularly their method of evaluating amounts of radiation and their immunological survey, were invaluable.

### Kono Warns of 'Great Countryism' in Russia

OW1801035395 Tokyo KYODO in English 0308 GMT  
18 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 18 KYODO—Foreign Minister Yohei Kono on Wednesday [18 January] called on Japanese ambassadors in Europe to pay attention to an increasing tendency toward "great countryism" in Russia, Foreign Ministry officials said.

Kono's address, read by proxy at a meeting in Tokyo of the ambassadors to European countries, said such a tendency has been seen in Russia in connection with Moscow's intervention in civil strife in Chechnya, the officials said.

He asked the envoys to pay attention to changes in Russian foreign policy affected by the rising influence of conservatives and ethnocentric circles, they said.

Kono also said Japan, the United States and Europe should cooperate in their policies toward Russia.

Referring to Russo-Japanese relations, he reiterated the need for Tokyo to promote political dialogue with Moscow and seek "balanced progress" in resolving a bilateral territorial dispute on the basis of a declaration issued in October 1993 during President Boris Yeltsin's visit to Tokyo.

The declaration committed the two countries to continued talks over four Russian-held islands off the northern tip of Japan based on previous agreements and principles of law and justice.

Japan, which has yet to conclude a peace treaty with Russia, has conditioned that matter and closer economic ties on progress over the territorial issue.

### Further Reportage on Impact of Kobe Earthquake

#### LDP Postpones Convention

OW1801021995 Tokyo KYODO in English 0152 GMT  
18 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 18 KYODO—The ruling Liberal Democratic Party (LDP) decided

Wednesday [18 January] to postpone its regular party convention to early March to concentrate on relief measures for the victims of Tuesday's earthquake in western Japan, party officials said.

The LDP was to hold the convention Thursday to celebrate its 40th anniversary, adopt basic party policies for 1995 and to officially announce a new party nickname, "JF," and a new mascot in an effort to create a fresh image and win public support.

The LDP is the biggest partner in the tripartite ruling coalition under Prime Minister Tomiichi Murayama of the Social Democratic Party.

#### Extra Funds Allocated for Relief

OW1801061395 Tokyo KYODO in English 0543 GMT  
18 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 20 KYODO—The government is considering drawing up an extra budget to help earthquake-stricken western Japan, officials said Wednesday [18 January] quickly, with a top lawmaker of the Liberal Democratic Party indicating an addition of up to 3 trillion yen. At the meeting, Prime Minister Tomiichi Murayama instructed his cabinet ministers to do everything possible for relief measures, Igarashi said.

While touring quake-devastated parts of Hyogo Prefecture, National Land Agency Director General Kiyoshi Ozawa promised the mayor of Kobe that the government will secure air transportation and may restrict other traffic to supply food and other needed goods and equipment to the city, officials in Kobe said.

Ozawa, who rushed to western Japan on Tuesday as the head of the government's emergency headquarters, also pledged to restore water supplies.

Igarashi said the government will quickly tackle shortages of water, medicine and other goods.

Defense Agency Director General Tokuichiro Tamazawa said the Self-Defense Forces (SDF) is prepared to fully meet requests for help from local authorities, and ready to send 8,500 personnel Wednesday and more later to make a total of 13,000.

During a luncheon with Murayama, some business leaders criticized the SDF for reacting too slowly to the crisis and making only a limited personnel commitment.

Replying to this, Tamazawa said the SDF can move into local areas only at the request of the authorities there, and said the governor of Hyogo Prefecture did not ask for help until 10 A.M. Wednesday.

Otherwise, the SDF was ready, and reacted immediately to requests made later, he said.

Tamazawa said he will visit the quake sites in the afternoon.

Ozawa is slated to return to Tokyo in the afternoon to report on the situation at a cabinet meeting.

On Thursday, Murayama will fly to the quake-struck area.

Construction Minister Koken Nosaka went to western Japan.

Remaining reserves of some 100 billion yen in the national budget for the current fiscal year through March 31 will be used for immediate assistance and reconstruction measures, Chief Cabinet Secretary Kozo Igarashi told reporters.

But with rebuilding work likely to take a long time as realization of how much damage Tuesday's earthquake caused sinks in, the government has started considering a supplementary budget to finance relief programs, the top government spokesman said after a special morning cabinet meeting.

Meanwhile, the ruling coalition parties decided at a morning meeting to draw up the supplement to the fiscal 1994 budget quickly, with a top lawmaker of the Liberal Democratic Party indicating an addition of up to 3 trillion yen.

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Construction Minister Koken Nosaka went to western Japan [words indistinct] government sent Home Affairs Minister Hiromu Nonaka and Transport Minister Shizuka Kamei to the area Wednesday morning.

#### MITI To Aid Affected Firms

OW1801081695 Tokyo KYODO in English 0736 GMT  
18 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 18 KYODO—The Ministry of International Trade and Industry (MITI) said Wednesday [18 January] it has set up an emergency task force to help reconstruct small companies damaged by Tuesday's earthquake in western Japan.

The Small and Medium Enterprise Agency, a MITI unit, said public financial institutions like Small Business Finance Corp. and People's Finance Corp. have already extended emergency extra loans to small companies located in areas affected by the quake that killed more than 2,000 people.

At present, seven cities such as Kobe, the city hardest hit by the quake, and Takarazuka, and five towns including Ichinomiya and Tsuna have been designated as the affected areas under the Health and Welfare Ministry's disaster relief law, the agency said.

Specifically, small firms in these cities and towns are entitled to receive up to 550 million yen in loans from Small Business Finance Corp., up from the regular 400 million yen, and 70 million yen from People's Finance Corp., up from 40 million yen, the agency said.

Loan periods by the two institutions will be doubled to up to 10 years, it also said.

The special task force, led by Agency Director General Etsuo Nakada, has sent vice agency chief Takao Suzuki to the quake-hit areas.

Other designated areas under the disaster relief law are five cities—Amagasaki, Nishinomiya, Ashiya, Itami and Kawanishi—and three towns—Awaji, Hokutan and Higashiura, the agency said.

#### Business Activity 'Crippled'

OW1801104795 Tokyo KYODO in English 1007 GMT  
18 Jan 95

[FBIS Transcribed Text] Osaka, Jan. 18 KYODO—Business activity remained crippled Wednesday [18 January] in parts of western Japan following Tuesday's massive earthquake that left at least 2,333 people dead and more than 1,000 others missing, officials said.

Transportation of relief goods, including food supplies, to stricken areas has been hampered because of heavy damage to highways and roads, they said.

An agricultural insurance group has launched a survey on damage to property while a major construction company offered to help in rehabilitation work.

The Federation of Economic Organizations (Keidanren), Japan's most powerful business club, said it will appeal to member companies and organizations to contribute monetary aid to the victims and provide trucks and helicopters for use in transporting aid goods.

Sadakane Doi, president of the Japan Securities Dealers Association, told a news conference in Tokyo that about 50 brokerage outlets remained closed Wednesday in the hardest hit areas of Hyogo and Osaka Prefectures.

The quake knocked out computer systems and caused heavy damage to buildings, he said.

Kobe Steel Ltd., headquartered in Kobe, said functions at its main office were paralyzed because its building suffered heavy damage and electricity and water supplies have been cut.

One of the company's blast furnaces suspended operations, company officials said.

The National Mutual Insurance Federation of Agricultural Cooperatives said it has set up a counter-disaster center at its Tokyo and Osaka headquarters to assist victims.

The federation said insurance payments are expected to hit an all-time high for earthquake damage.

Kajima Corp., a major construction company, said it has launched a survey and aid operations under the supervision of its president, Akira Miyazaki.

About 100 engineering employees equipped with bulldozers have been mobilized to participate in the reconstruction of highways and other public facilities, company officials said.

Agricultural cooperatives said delivery of aid goods to the victims such as food and perishables has been hampered due to damage to access roads.

Transportation of vegetables from Kyushu, Japan's southernmost main island, will be made by air and ship, they said.

Electronics giant Matsushita Electric Industrial Co. said shipments of its products to sales outlets in stricken areas have been halted because computerized order placement system and supply routes were disrupted.

Sumitomo Metal Industries Ltd. and Mitsubishi Heavy Industries Ltd. both said production has been disrupted, and department stores and supermarkets reported their business operations were paralyzed.

Mazda Motor Corp., which is affiliated with Ford Motor Co. of the United States, said about 12,000 workers at its two assembly plants will be taken off duty until production resumes.

### Industrial, Commercial Areas Surveyed

OW1801054795 Tokyo KYODO in English 0521 GMT  
18 Jan 95

[By William Mallard]

[FBIS Transcribed Text] Tokyo, Jan. 18 KYODO—Transportation crippled for a region that provides nearly a fifth of the nation's output, services strained to the limit just trying to rescue the trapped and care for the injured, industrial and commercial areas devastated.

Awaking to the wreckage of Tuesday's [17 January] earthquake, the deadliest to hit the country in 50 years, Japan begins to count the economic cost to its western industrial heartland.

As economists, industrialists and bureaucrats surveyed the damage, they considered the stimulative effect of rebuilding efforts but braced for a jolt to the world's second-biggest economy.

"It's going to be worse than expected but I can't say how much," said Masaru Takagi, senior economist at Fuji Research Institute.

The damage is sure to exceed the 3 trillion yen now calculated for California's Northridge earthquake, which hit exactly a year before the Southern Hyogo Prefecture quake slammed the Kansai region, he said.

With fires still raging and damage assessment just beginning, precise estimates are impossible, Takagi said, but he added that damage estimates are likely to mimic the excruciating climb in the death toll and noted that the Northridge damage eventually tripled original estimates.

"With the number of dead still not even known, we just don't know yet" what the economic effect will be, said Masaharu Sakuta, general manager of the techno-advisory department at the Japan Research Institute. "Talking about which businesses will be hurt worse and which will be able to make money at this stage is a bit imprudent."

Investors, however, reacted swiftly in the stock markets, pummeling Japanese nonlife insurers facing their worst payout nightmares and rewarding construction and building material shares, which soared on expectations of a flood of business when the Kansai region starts to get back on its feet.

The Osaka Securities Exchange stayed closed Tuesday but resumed trading Wednesday. Tokyo shares fell moderately Tuesday, recovering somewhat from an early plunge, and were moving narrowly Wednesday.

The effect should be felt in Japan's entire economic output but it is impossible to guess yet by how much,

Takagi said. "There will be quite a negative impact over the next year" for the directly hit area.

Areas such as Hiroshima and Okayama that depend on Osaka-Kobe distribution and communications lifelines will also be hurt, he said.

The Kinki region accounted for 16.9 percent of Japan's gross national product in fiscal 1991, the latest year for which figures are available, with Osaka producing 8.5 percent and Hyogo Prefecture 4.1 percent.

Steel, chemical, electronics and auto manufacturers were among the many companies silenced by direct damage or blackouts.

Sumitomo Metal Industries Ltd. said a steel products facility in Osaka remained closed Wednesday as power cables had not been restored, while its Wakayama Steel-works looked set to resume operations after a 30-hour hiatus.

Mitsubishi Heavy Industries Ltd. could not run its Kobe shipbuilding facility as many employees could not come to work, snarled computer systems halted deliveries from a Matsushita Electric Industrial Co. regional facility, and Hosiden Corp.'s Kobe liquid crystal display factory was stranded by a lack of parts.

Officials at Mazda Motor Corp. said they hope to restart operations Thursday if sea routes for parts supply can be secured.

Among other manufacturers reporting at least temporary effects were Kawasaki Steel Corp., Kobe Steel Ltd., Nippon Steel Corp., Daihatsu Motor Co., textile maker Unitika Ltd., Sumitomo Rubber Industries Ltd., Sanyo Electric Co., NEC Corp., Minolta Co. and leading oil refiner Idemitsu Kosan Co.

Kansai Electric Power Co. said a nuclear facility was among the eight power plants shut down at least temporarily, while Osaka Gas Co. said it had to cut gas supply to some areas on reports of leakage.

Where they could open branches at all, banks were instructed by the Bank of Japan to let depositors withdraw money without the normally required passbook and official seal if they had other identification.

Wholesale vegetable volume sank by about half Wednesday morning, but prices moved little as middlemen and wholesalers watched from the sidelines.

Sporadic openings were the rule for such big retailers as Hankyu Department Stores Inc., Nichii Co., Izumiya Co. and Jusco Co., while such hard-hit zones as central Kobe, Sannomiya and Takarazuka largely remained in shock.

Even businesses not directly hit could be cut off for an unknown period by crippled distributions channels.

Companies will be "forced to suspend operations as the cutting of railway lines and roads has brought to a halt

the transport of manufactured goods and material," said Ryutaro Hashimoto, minister of international trade and industry.

Business in the directly affected Kinki District and the broader Kansai area will be "paralyzed" for the time being, Sakuta said.

A key overpass of the Hanshin expressway, a major artery for transportation from Hokkaido to Kyushu, toppled like a toy and will be out of service for a year, early estimates said. The key Sanyo Shinkansen bullet train line will be out for months.

Officials expressed dismay that a major thoroughfare like the Hanshin expressway could crumble in an instant, especially after Japanese researchers returned from inspecting the California quake saying it could never happen here.

Life and casualty insurers were just beginning to count the cost, although credit rating agency Standard and Poor's Corp.'s initial reaction was that nonlife insurers would not be devastated thanks to a low earthquake insurance coverage rate in Kansai and Japan's extremely restrictive damage liability system.

Companies can shift production and operations to some extent to unaffected facilities elsewhere, and contractors, road pavers, concrete, glass and other building materials makers will have massive work orders ahead, economists said.

But Takagi cited limits to such shifts, noting that airplane reservations were booked solid and passengers had to be turned away as airlines could not fully take up the slack from the paralyzed rail and road travel.

#### More on Effect on Industries

OW1801063595 Tokyo KYODO in English 0532 GMT  
18 Jan 95

[FBIS Transcribed Text] Osaka, Jan. 18 KYODO—The earthquake which killed over 1,800 people in western Japan on Tuesday [18 January] has also paralyzed many manufacturers, distributors and banks in the hardest-hit Hyogo Prefecture and its surrounding areas.

Sumitomo Metal Industries Ltd., the nation's third-ranking steelmaker, said the quake ruptured electric cables in its steelworks in Osaka, and it does not know when it can resume operations.

The damaged No. 4 blast furnace in Sumitomo Metal's Wakayama Factory, however, may be able to resume operations by Wednesday afternoon—some 30 hours after the quake struck. The company attributed the quick recovery to its distance from Hyogo and smooth repair work.

The Kobe shipyard of Mitsubishi Heavy Industries Ltd. remains paralyzed as many of its employees, whose households were affected by the tremor, cannot come to the shipyard.

Matsushita Electric Industrial Co. said it was forced to halt shipments of products to many of its sales outlets in the Kobe-Osaka area, as the quake disrupted both its computerized order-placement system and supply routes.

Department stores and supermarkets, meanwhile, said their businesses took a hammering, as the quake either ravaged their sales outlets in Kobe and adjacent cities or severed their supply routes.

Hankyu Department Stores Inc., a major department store chain affiliated with Hankyu Corp., the operator of a railway crippled by the quake, said it is not sure when it will be able to reopen its damaged branch stores in the cities of Kobe, Sannomiya and Takarazuka.

Sogo Co., another major department store chain, said it does not know what condition its Kobe branch store is in.

Daimaru Inc., another major department store, also said it is not sure when its three sales outlets in Kobe will be able to reopen.

Mazda Motor Corp., based in Hiroshima Prefecture, west of Hyogo Prefecture, said the tremor forced its two major plants to stop their manufacturing operations since Tuesday, as it severed the automaker's parts supply routes based on railway and road transportation.

Mazda's Hiroshima plant and another plant in Hofu, Yamaguchi Prefecture, have taken the regular supply of auto parts from more than 70 parts makers in the Kinki and Tokai districts in western and central Japan.

Mazda, a business partner of Ford Motor Co. of the United States, notified some 12,000 factory workers at the two plants Tuesday of its decision to place them off duty until the plants resume operations, a Mazda official said.

Mazda plans to resume its operations possibly by Friday by securing alternative supply means such as freighters, the official said.

Meanwhile, major city and regional banks said they are doing their utmost to resume operations of their branch offices in the quake-struck cities, with some voicing irritation at the still disconnected communications with their branches.

An official at the Osaka branch of Hyogo Bank, a medium-sized regional bank with its head office in Kobe, said the bank "cannot confirm which branch offices are still operating."

The bank's on-line banking network remains unoperable, he said.

Hanshin Bank, a medium-sized regional bank with branch network in the Osaka-Kobe area, said several of its branches are still closed due to damaged office buildings and telephone lines.

But Hanshin's on-line banking system is functioning as its computer center in Kobe's Nishi Ward was spared damages, it said.

Major commercial bank Sakura Bank said about two thirds of its some 210 branches located west of Nagoya cannot access the bank's own on-line banking system.

Meanwhile, large-scale distributors began taking emergency measures for their sales outlets.

Seven-eleven Japan Co. said it is considering chartering seven helicopters to airlift lunch boxes and other products to their 60 sales outlets in Osaka and Kyoto.

A plan to bypass traffic congestion with motorcycles in an attempt to reach shops in the damaged areas is also under consideration, it said.

Daiei Inc., the nation's top chain store operator, said it began transporting drinking water and food such as "onigiri," or rice balls by using ferries and trucks.

However, a Daiei official said, "We are not sure how we will deliver fresh food like vegetables."

Hoshiden Corp., an electronics part manufacturer, said its computer liquid crystal display factory in Kobe would remain closed until gas and water services are restored.

### Toyota, Others To Close Plants

OW1801165295 Tokyo KYODO in English 1527 GMT  
18 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 18 KYODO—Toyota Motor Corp. will close its main factory and some other plants from Thursday [19 January] afternoon, and a total of 28 factories of 12 group companies across the nation from Thursday night to Saturday morning, company officials said Wednesday.

The officials said the move is aimed at enabling trucks and other vehicles carrying emergency supplies to reach the quake-hit areas in western Japan.

The closures will cost Toyota a production shortfall of about 20,000 vehicles.

The move is partly inevitable since many of its parts suppliers in western Japan, including Sumitomo Electric Industries Ltd. from which Toyota buys brake components, have been hard hit by the quake.

The biggest carmaker in Japan also said earlier in the day that it dispatched a total of 200 engineers and officials to help its business partners and parts suppliers in damaged areas repair production facilities.

The partners include the two plants of its group affiliate Daihatsu Motor Co. in Ikeda, Osaka Prefecture, and Oyamazaki, Kyoto Prefecture.

Daihatsu has suspended operations at its main Osaka factory for the past two days but is likely to resume soon.

Toyota also said it will give 100 million yen worth of aid in the form of cash and material assistance to the citizens of the quake-pounded districts through the Japan Red Cross Society.

Honda Motor Co.'s factory in Otsu, Kumamoto Prefecture, will shut its line for two days from Thursday as parts supplies have stopped from the quake-hit area of western Japan.

Nissan Motor Co.'s plant in Fukuoka Prefecture appears to be also on a verge of closure for similar reasons.

Mazda Motor Corp. suspended operation of its main factory in Hiroshima Prefecture and another one in Yamaguchi Prefecture on Wednesday.

But it said those factories will resume operations Thursday as the company secured supplies through a route circumventing the western Japan area.

Mitsubishi Motors Corp. closed a factory in Okayama Prefecture on Tuesday night but reopened it Wednesday.

### SDPJ 'Rebel' Group Delays Formation of New Block

OW1801102995 Tokyo KYODO in English 1010 GMT  
18 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 18 KYODO—Social Democratic Party (SDP) [of Japan—SDPJ] rebel leader Sadao Yamahana said Wednesday [18 January] his group will abandon its plan to launch a new Diet bloc before an ordinary session convenes Friday so as to concentrate on measures to deal with the aftermath of Tuesday's earthquake that devastated parts of western Japan.

Yamahana, a former SDP chairman, made the decision to postpone inauguration of the new parliamentary bloc Tuesday when the extent of the devastation caused by the quake became apparent.

The death toll in the quake, which hit a wide area of the Kansai region, has surpassed 2,400.

The group, called the Democratic League-Democratic New Club, was to hold its inauguration ceremony Wednesday in a move which could cause a split in the SDP, one of the three parties in the ruling coalition.

Yamahana and 23 other rebel lawmakers in the SDP were to quit the SDP's parliamentary group Tuesday and work out details of the new Diet group, precursor to the new party, with both the House of Representatives and the House of Councillors after the inaugural ceremony.

SDP Chairman and Prime Minister Tomiichi Murayama has hinted at the expulsion of the rebel group and said a new party should be launched by revamping the SDP after assessing the situation after nationwide local elections in April.

But Yamahana and other rebels have urged a transformation of the SDP into a new party at an earlier stage to rival the two biggest conservative parties—the SDP's ideological foe and current ruling coalition ally, the Liberal Democratic Party (LDP), and the new grand opposition party Shinshinto (New Frontier Party).

The SDP made a surprise tie-up with the LDP last June to form the present coalition together with an LDP splinter group, new party Sakigake [Harbinger].

### LDP To Receive 13.1 Billion Yen Campaign Funds

OW1701144995 Tokyo KYODO in English 1401 GMT  
17 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 17 KYODO—Ten parties in the Diet on Tuesday [17 January] filed their applications for government subsidies to be used as campaign funds in line with the political reform laws which went into effect Jan. 1, the Home Affairs Ministry said.

Based on estimates calculated by KYODO NEWS SERVICE, the Liberal Democratic Party (LDP), which makes up the bulk of the current ruling coalition government run by Prime Minister Tomiichi Murayama, will receive 13.1 billion yen this year, the highest amount among all the parties.

Shinshinto (New Frontier Party), a major opposition party inaugurated last December, will be granted the second highest amount with 8.6 billion yen, followed by Murayama's Social Democratic Party [of Japan—SDPJ] (SDP) with 6.7 billion yen.

New Party Sakigake [Harbinger], the remaining partner of the tripartite coalition government, will receive 700 million yen.

The size of the amounts awarded by the government depends on the number of party members in the Diet as well as their share of votes won in recent elections.

The Japanese Communist Party, which opposes the funding system, did not file an application before the Tuesday deadline.

The political reform laws, including the new electoral system combining single-seat districts and proportional representation for the House of Representatives, are designed to combat political corruption.

### North Korea

#### More on Arrival of U.S. 'Experts' Delegation

SK1701152395 Pyongyang KCNA in English 1514  
GMT 17 Jan 95

[FBIS Transcribed Text] Pyongyang, January 17 (KCNA)—A U.S. delegation of experts arrived here

today by air to attend the 2d round of DPRK-U.S. expert-level negotiations on the safe storage of spent fuel.

The negotiations are held in accordance with the DPRK-U.S. framework agreement published in Geneva on October 21, 1994.

At the 1st round of negotiations held in November last year, useful and constructive discussions took place on the safe storage and ultimate disposition of the spent fuel discharged from the 5-megawatt experimental reactor power plant.

During the negotiations, there were extensive exchanges of information, including a visit to the 5-megawatt experimental reactor power plant and the spent-fuel storage (?basin) at the Yongbyon center for atomic energy research.

#### Second Round of Expert-Level Negotiations Begins

*SK1801102695 Pyongyang KCNA in English 1019  
GMT 18 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA)—The second round of DPRK-U.S. expert-level negotiations on the safe storage of spent fuel began here today, pursuant to the DPRK-U.S. framework agreement published in Geneva on October 21 last year.

The sides had a sincere exchange of views on the technical issues which had not been settled at the first round in November last year.

#### U.S., ROK 14-16 Jan Military Activity Viewed

*SK1801052195 Pyongyang KCNA in English 0435  
GMT 18 Jan 95*

[“War Exercises and Military Provocations”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA)—The U.S. imperialist warmaniacs, together with the South Korean puppets, staged war exercises such as air-to-ground strike, air battle, support to a ground attack operation in the sky above Tokjok, Oeyon and Anmyon islets of South Korea on January 16, according to military sources.

Mobilized in the exercises were some 10 overseas-based assault planes, pursuit-assault planes and refuelling tankers and over 310 fighter planes of different types belonging to the U.S. 7th Air Force and the puppet airforce.

On the same day, the South Korean puppets deployed scores of military vehicles and one hundred and dozens of armed bandits of the puppet army in Kanghwa, Paju and Yonchon Counties, Kyonggi Province and Chorwon County, South Korean Kangwon Province, under our very nose who took firing posture towards our side.

They also introduced heavy weapons and hundreds of armed bandits into the demilitarized zone over January 14-16, inciting a war atmosphere.

The personal safety of our People's Army soldiers was gravely threatened and the situation in the DMZ coiled up still further by the repeated military provocations of the puppets.

The war exercises and provocations show that the U.S. imperialist warmaniacs and the Kim Yong-sam traitorous clique are rushing headlong into confrontation and war.

#### ROK Nuclear Dumping Site Construction Decried

*SK1801080795 Pyongyang Korean Central  
Broadcasting Network in Korean 0630 GMT 12 Jan 95*

[Dialogue between Kim In-kuk, director of a bureau of the State Environmental Committee; and station reporter Yi In-chun: “The Kim Yong-sam Ring Should Immediately Stop the Maneuvers To Build a Nuclear Waste Disposal Site”]

[FBIS Translated Text] [Yi] How are you?

[Kim] How are you?

[Yi] As you know, the South Korean puppets announced recently that they have decided to build a nuclear waste disposal site—which had remained undecided for six years due to the people's strong resistance—in Kulok island located in Tokchon-myon, Ongjin County, Kyonggi Province. This has evoked strong indignation not only among our people, but also among the South Korean people. Therefore, I would like to discuss this matter at this time.

[Kim] Yes. The island called Kulok island located in Tokchon-myon, Ongjin County, Kyonggi Province where the South Korean puppets are scheming to build a nuclear waste disposal site is located just across the Military Demarcation Line and is not far from the northern half of our Republic. The Kim Yong-sam puppet clique's decision to build at this location a nuclear waste disposal site, which will inflict a tremendous damage to human life and ecological and natural environment, is a deliberate and calculated grave provocation designed to impose the damage caused by radioactive substance even on us.

As has already been revealed, in South Korea today, spent nuclear waste from nuclear facilities which operate secretly are being piled up mountain-high, and because of this South Korea is faced with serious difficulties in disposing this nuclear waste. The South Korean puppets selected six areas, including Ulchin County of North Kyongsang Province, Yangsang County of South Kyongsang Province, and Changhung County of South Cholla Province, as proposed sites for nuclear waste dumping. However, they met strong opposition from the people in

these areas and failed to decide a proposed site for nuclear waste dumping among these areas.

This notwithstanding, traitor and puppet Kim Yong-sam has recently decided to build a nuclear waste dumping site on an island near our side's area. This is an intolerable criminal act designed to impose nuclear disaster even on the whole country and all the nation, let alone the South Korean people.

[Yi] You are right. This is why the State Environmental Committee bitterly condemned on 30 December of last year the Kim Yong-sam clique's maneuvers to build a nuclear waste disposal site on an island near our side's area, branding them as an antinational criminal act designed to make the whole land of the country a barren, nuclear-contaminated area and to make the entire nation in the North and the South a scapegoat of nuclear radioactivity. It is an already known fact that South Korea has become a sea of death and a land of death due to the nuclear waste dumped by the South Korean puppets. The nuclear waste dumped into the sea by the South Korean puppets in the course of their nuclear development reaches 11,000 trillion becquerels. Because of this, the sea in South Korea has been covered with nuclear waste, and maritime resources—including brown seaweed—have been completely destroyed. Those women who had eaten contaminated fish delivered deformed and premature babies. The ecosystem on the sea and the survival of human beings has suffered a fatal damage in South Korea today.

Despite such a serious environmental situation, the South Korean puppets are attempting to build a nuclear waste disposal site near our side's area in a bid to inflict such a damage on us. So, how can we tolerate this?

[Kim] I agree with you. As you know, international law bans the act of illegally dumping nuclear waste and strictly prohibits nuclear facilities and nuclear waste disposal sites from being built anywhere. While clearly knowing these facts, the Kim Yong-sam ring is attempting to build a nuclear waste disposal site on an island near our side's area despite the South Korean people's strong opposition and rejection in a bid to inflict serious damage on fellow countrymen. This reveals to the world that the rascals are utterly ignorant gangs and hoodlums who lack the conscience of the nation and who are ignorant of even the basic international law.

[Yi] That is right. The South Korean people are strongly struggling against traitor Kim Yong-sam's moves to build a nuclear waste disposal site because they are well aware of the dangerous nature of nuclear waste, are they not?

[Kim] Yes, it is true. The residents in islets around Tokchon-myong, Ongjin County, Kyonggi Province have been recently waging a joint struggle against the construction of a nuclear waste disposal site on Kulok

island. Some 300 residents on Tokjok islet in Tokchon-myong who belong to the Committee for Struggle Against the Construction of Nuclear Waste Disposal Site on Kulok Island. They gathered in front of the Tokchon-myong office last December and demanded that the construction of the nuclear waste disposal site be immediately suspended and that the riot police's suppression of the residents be stopped. They condemned that the puppet government had decided to build a nuclear waste disposal site in advance on Kulok island and persuaded the residents with a deceptive trick.

On the other hand, some 400 residents from Sowa islet, Ma islet, Paeka islet, and other nearby islets gathered in Tokjok island to join the struggle. They vowed to struggle to the end together with the residents on Tokjok island. Also, in a letter sent to the Inchon City Assembly on 23 December last year the Union of Environment Movements of Inchon, condemning that the puppet government's unilateral decision to select Kulok as a nuclear waste disposal site is an act of mocking Inchon citizens, urged the Inchon City Assembly to officially declare its position of opposing the construction of a nuclear waste disposal site. This is a just struggle.

[Yi] That is right. The South Korean puppets should look straight at the will of the South Korean people struggling against the construction of a nuclear waste disposal site and should act discreetly. In particular, traitor and puppet Kim Yong-sam should look straight at our firm position of treasuring the lives of fellow countrymen and of protecting natural environment and should immediately renounce these criminal moves to build a nuclear waste disposal site near the area of the northern half of the Republic.

[Kim] That is right. We will by no means idly look at the South Korean puppets' schemes which will result in damaging human life and destroying sea ecosystem by building a nuclear waste disposal site near our sea. If the Kim Yong-sam puppet clique persistently builds a nuclear waste disposal site on Kulok island despite our strong warnings, it should know that it will be held totally responsible for all consequences arising therefrom.

[Yi] Thank you.

**World Demands Demolition of 'Concrete Wall'**  
SK1401102495 Pyongyang KCNA in English 1018  
GMT 14 Jan 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, January 14 (KCNA)—The world public is demanding the demolition of the concrete wall built by the South Korean authorities in the area south of the Military Demarcation Line.

The Cameroon Social Union in a statement on December 22 last year said the world people want the

immediate removal of the political, institutional and physical barriers to the reunification of Korea and expressed full support to the struggle of the Korean people for national reunification.

A joint statement was made public on December 27 last year by officials of 16 political parties and organisations of Nicaragua including Deputy Secretary General of the Sandinist National Liberation Front Tomas Borge, Chairman of the Independent Liberal Party Ilfredo Navaro, Secretary General of the Marxist-Leninist Popular Action Movement Isidro Telbelez and Chairman of the Democratic Lawyers Association Alvaro Ramirez Gonsalez.

They demanded that the reinforced concrete wall be pulled down in South Korea at an early date, describing it as a material barrier denying the homogeneity of the Korean nation, opposing reunification and blocking the building of political and military confidence.

The Guinean and Lebanese Committees for Support to Korea's Reunification in their statements urged the South Korean authorities to demolish the concrete wall and called upon the peaceloving people, governments, parliaments, political parties and human rights committees of the world to take active solidarity measures for the immediate removal of the concrete wall.

The January first issue of the Mexican Paper EL UNIVERSAL and the Syrian paper NIDAL AL CHAAB [spelling as received] said that the South Korean authorities' refusal to remove the concrete wall is intended to freeze the division of Korea, aggravate confrontation between the North and the South and obstruct free travel and full-scale opening. The papers demanded the demolition of the wall.

Its removal was also urged by Russian, Guyanese and Jordanian papers and a magazine of Lebanon.

#### **Paper: ROK Professor Criticizes Globalization**

*SK1701102695 Pyongyang KCNA in English 1001  
GMT 17 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 17 (KCNA)—Prof. To of Kyonghui University in Seoul exposed the falseness of "globalization" noisily advertised by the traitor Kim Yong-sam, according to a South Korean newspaper.

Noting that toward the end of last year, the term "globalization" was interpreted in South Korea as "competitiveness," "cure-all," "reform," "21st century" and other meanings, he said: "globalization" is not a cure-all but a source of agony and all kinds of illness."

"Owing to 'globalization,' in the sphere of culture, the diversity, historical tradition and peculiarity of national culture will disappear and it will lose its nationality and become mixed-breed to be reduced to corrupt imperialist culture and commercial waste culture," said the professor.

#### **ROK Sogang University President Criticized**

*SK1801133895 Pyongyang Korean Central  
Broadcasting Network in Korean 1225 GMT 16 Jan 95*

[Kim Ho-sam commentary: "Dirty Nature of Government-Backed University President Has Been Exposed Once Again"]

[FBIS Translated Text] According to a radio report from Seoul, Pak Hong, government-backed president of Sogang University in South Korea, decided to obtain a written pledge from all applicants for admission to this school this year that they will not join any left-leaning violent revolution after they enter the school.

This is another vicious challenge to South Korean youth and students who are aspiring for independence, democracy, and reunification and is an unpardonable crime designed to block their struggle and to bind their hands and feet.

As has been known to all, this year is the 50th anniversary of our nation's liberation, and also is the 50th anniversary of our nation's division.

Thus, 70 million fellow countrymen in the North, the South, and overseas are consolidating their determination to more persistently carry out the struggle to bring an end to the nation's division which was enforced by outside forces and to vigorously rise in the reunification movement.

Besides, the world's people are hoping that a turning point will open in the issue of Korea's peace and reunification according to the spirit of the DPRK-U.S. framework agreement signed last year.

At this very time, the government-backed president of Sogang University is trying to receive a written pledge from the applicant students that they will not join in the left-leaning violent revolution. This clearly proves how vicious enemy he is and how frantically he is pursuing an anti-reunification line by betraying the nation's aspiration for national reunification.

As is well known, Sogang University President Pak Hong acted as a puppet and as an agent for the Agency for National Security Planning [NSP] at the directive of the Kim Yong-sam fascist clique last year for working out an excuse for repressing the patriotic movement of South Korean youth and students for national reunification. He is an NSP dog which disgraced itself and a puppet who was deceived by trick of the NSP.

At the time, according to the script of traitor Kim Yong-sam and the NSP, this rascal viciously branded the chusapa [faction following the chuseok idea] students as the force of evil disguised as that of virtue, and schemed to create a new murderous and frenzied security-oriented political climate. However, since his poor drama failed, he has been rejected by fierce denunciation

and resistance by political, academic, and social circles in South Korea, thus being driven into a corner, like a dog.

Nevertheless, this rascal, not discarding his bad habit, again exposed his true color, and is frantically running amok to block just aspiration and struggle of the South Korean youth and students for independence, democracy and reunification, under the manipulation of Kim Yong-sam group.

Pak Hong's remarks of labelling left-leaning violent revolution are aimed at blocking dissemination and propagation of the immortal and everlasting chuche idea—the progressive ideology which guides today's era along the path of virtue [onurui sidaerul sondohanun]—and at blockading from the root the vigorous march of the South Korean youth and students toward independence, democracy and reunification.

Pak Hong and other government-backed professors in Sogang University propagandized that the applicants for admission to the school should not deny the liberal democratic system. This is an act which can be perpetrated only by those who lost reason.

What social system one chooses and what idea one follows are issues that should be decided by oneself and belong to one's own independent right. This is even more true in the sacred campus that pursues academic research.

Nevertheless, the Kim Yong-sam group in South Korea and government-backed scholars are enforcing the liberal democratic system by ignoring such basic right of mankind. This is an act that can be committed only in South Korea, the wasteland of human rights, by the scoundrels.

Generally speaking, the freedom to choose the social system and to join academic field is permitted even in capitalist countries.

Nevertheless, the act of forcing the applicants who came to take the entrance examination, not the students who are allowed admission, to follow the liberal democratic system, not denying it, clearly exposes that South Korea is a dictatorial society and a dark society where even basic human rights are not insured, and that the civilian government is a merely deceptive one.

Pak Hong, the government-backed president of Sogang University, is serving as a faithful servant of the traitor Kim Yong-sam, not discarding his bad habit even after suffering the bitter taste. This eloquently illustrates that he is an ugly man who discarded conscience as educator and who lost reason.

With its truthfulness, the immortal and everlasting chuche idea is taking root deep in the hearts of the South Korean people, and has been recognized as the great guiding ideology for emancipation of mankind throughout the world. The attempt to block the basic

trend of the times is the same as the act to block torrential river waters with one hand.

No matter how frantically the Kim Yong-sam group in South Korea may attempt to block the struggle of youth and students for independence, democracy and reunification, it is simply foolish.

The South Korean youth and students who are thorough-going with justice and courageous against injustice will crush disturbance maneuvers of the Kim Yong-sam group and its stooges and will more courageously rise in the struggle for national reunification.

#### **U.S. 11 Jan Long-Distance Air Exercise Viewed**

*SK1801004995 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 13 Jan 95*

[FBIS Translated Text] According to a military source, on 11 January, the U.S. imperialist warmongers again conducted a long-distance air strike exercise. This comes at a time when the U.S. imperialist warmongers are frequently staging war exercises aimed at northward invasion with the puppets by bringing in various types of planes from overseas bases to the skies of South Korea from the beginning of the year.

An overseas-based E-3 AWACs flew into the sky above Chonan, South Korea from an overseas base that day, sought out [tamsaek] our aerial and ground objects and called out to the flying corps for an exercise to strike them. Ten odd assault planes from bases in the Pacific region then bombed the pinpoint targets in the sky above Asan Bay of South Korea.

On the same day, six strategic and reconnaissance planes of various types, including the U-2 high-altitude strategic reconnaissance plane, committed an electronic and photographing espionage on our various strategic and tactical points in the sky above an area near the Military Demarcation Line

Prior to this, an overseas-based P-3 patrol plane in the skies above Kangnung and the Tokjok islet, South Korea, in the period from January 8 to 10.

The U.S. warmongers should squarely see the trend of time and should not run recklessly.

#### **George Washington University Official Arrives**

*SK1401212995 Pyongyang KCNA in English 1504 GMT 14 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 14 (KCNA)—Kim Yong-chin, director of the Centre for East Asian Studies of George Washington University of the United States, and his party arrived here today by air.

#### **Cultural Delegation Leaves for PRC, SRV**

*SK1701213895 Pyongyang KCNA in English 1511 GMT 17 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 17 (KCNA)—Government cultural delegation of the DPRK

led by Chang-chol, vice-premier of the Administration Council and minister on culture and art, left here today for China and Vietnam.

It was seen off at the airport by Choe Ki-yong, chairman of the State Education Commission, Qiao Zonghuai, Chinese ambassador to Korea, and Duong Chinh Thuc, Vietnamese ambassador to Korea.

### Envoy to China Arranges New Year Banquet

*SK1801090095 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 14 Jan 95*

[FBIS Translated Text] DPRK Ambassador to China Chu Chang-chun arranged a banquet on 13 January on the New Year.

Portraits of the great leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il were placed in front of the banquet place.

Sun Jiazheng, minister of the Ministry of Radio, Film, and Television; Cui Yueli, president of the China-DPRK Friendship Association; vice ministers of the Ministries of Culture and Public Security; and other functionaries concerned were invited.

Ambassador Chu Chang-chun and Minister Sun Jiazheng made congratulatory speeches. In his congratulatory speech, Minister Sun Jiazheng said that last year the DPRK people experienced the loss of the great leader Comrade Kim Il-song and the Chinese people lost a close friend and a comrade-in-arms. He recalled the days when he visited the DPRK and was received by the leader [suryong].

He said that he is happy over the fact that the DPRK people overcame the sadness and are achieving great progress under the leadership of the Workers Party of Korea headed by Comrade Kim Chong-il.

He said that he is of the firm belief that the DPRK people will achieve greater victories in socialist construction in the new year under the leadership of the great leader [yongdoja] Comrade Kim Chong-il.

Participants of the banquet toasted for the friendship and unity of the people of the two countries; for the eternal life of the great leader Comrade Kim Il-song; for the long life of the great leader [yongdoja] Comrade Kim Chong-il; and for the long life of China's party and state leaders including the respected Comrades Deng Xiaoping and Jiang Zemin.

The banquet was held amid a warm and friendly atmosphere.

### Dialogue: Japan Schemes To Become Nuclear Power

*SK1801124495 Pyongyang Korean Central Broadcasting Network in Korean 0628 GMT 14 Jan 95*

[Dialogue between station reporters Chong Song-kang and Yi In-chun: "Japan's Frantic Maneuverings To Become a Nuclear and Military Power"]

[FBIS Translated Text] [Yi] How are you?

[Chong] How are you?

[Yi] The Japanese authorities' frantic maneuverings to become a nuclear and military power have become more undisguised in recent days. We would like to discuss this at this time.

[Chong] Yes, let us do that. We can say that last year, Japan's scheme to become a nuclear and military power reached an extreme. Japan is attempting to have 120 tonnes of plutonium by 2010. Last year, Japan finalized a new long-term plan to utilize atomic energy, thereby undisguisedly disclosing its inner thought to continuously produce and stockpile plutonium.

It is by no chance, I think, that the ASAHI SHIMBUN of Japan called this plan a clear announcement of the intention to have nuclear-related rights. Last May, it was exposed that Japan had hidden away about 70 (?kg) of plutonium with which it could manufacture nine nuclear bombs. As a result, it was exposed that Japan (?possesses nuclear materials). This was only part of Japan's maneuverings to become a nuclear power.

Besides its stockpile of weapons-grade plutonium, Japan is adding spurs to developing the carriers of nuclear warheads. As part of this scheme, we can say that Japan (?has test-fired the H-2) space rocket which can be used as an intercontinental ballistic missile.

[Yi] This notwithstanding, behind the deceptive facade of the three principles on denuclearization, Japan is only clamoring that it will never possess nuclear weapons. But, this is nothing but a poor excuse aimed at covering up its own nuclear-related ambition. This is clearly substantiated by the fact that the Japanese Government's secret document of 1969, which set the possession of nuclear weapons as the country's basic policy, has not been scrapped, but still remains valid. High-ranking figures in the political and military circles have made absurd nuclear-related remarks.

According to AP, former Japanese Prime Minister Hata and former Foreign Minister Kakizawa have acknowledged Japan's capability to produce nuclear weapons and have openly clamored that it is legal to use nuclear weapons. A Foreign Ministry official has even gone so far as to clamor that it is profitable—from the diplomatic viewpoint—for Japan to be armed with nuclear weapons some day.

[Chong] You are right. According to Japan's ASAHI SHIMBUN, some Dietmen are still stating that Japan should not be denied the (?right) to possess nuclear weapons. Last August, former chief of operations of the Maritime Self-Defense Forces (Iichira) confessed that he had done research on nuclear weapons while in office. He said that the military circles would never deny Japan's right to possess nuclear weapons, while adding that those in the Maritime Self-Defense Forces were still stressing the need to possess nuclear weapons.

I think that such a nuclear-related ambition of Japan has been fully exposed by the fact that Japan undisguisedly attempted to make legal the use of nuclear weapons in a written statement on the use of nuclear weapons which it submitted to the International Court of Justice.

In the meanwhile, the Japanese reactionaries are further accelerating the scheme to become a military power. Above all, this is shown by the fact that Japan is pertinaciously pushing for the augmentation and modernization of, and the introduction of high- level technology into its Armed Forces on the basis of its systematic increase of military spending.

An ultramodern (?frigate) missile destroyer (Konggo) has already been deployed. And, in early October last year, another (?frigate) (Miyoko) was deployed. Under the pretext of making preparations for an emergency, Japan has recently organized (?a mobile unit) made up of 15,000 ex-service men.

[Yi] In addition, the Japanese reactionaries are ambitiously pushing ahead with the modernization of missile forces. The Defense Agency has expanded the missile base in (Komaki) with a view to improving and testing its own guided weapons—as well as purchasing more Patriotic interceptor missiles—also during the current fiscal year, and also it developed a new technology of controlling the missile flight.

Not satisfied with this, the Japanese Government is actively participating in the U.S. (?Strategic Defense Initiative). At the moment, Japan is bent also on securing high-level military technology. I think Japan's scheme to arm itself with nuclear weapons and become a military power is very grave because it is aimed at realizing its ambition to revive militarism.

[Chong] You are right. Japanese reactionaries and (?high- ranking officials, including Dietmen,) are continuously making absurd militarist remarks denying Japan's past act of aggression. Various prefectoral parliaments have continued to adopt resolutions embellishing the war of aggression and extolling the war dead as heroes. This fully shows that Japan's aggressive nature has never changed, but it is, on the contrary, ominously budding. All of this clearly shows that Japan's maneuverings to become a military power and to arm itself with nuclear weapons are never for seeking its self-defense, but for launching an aggression, and for dominating the world.

The Japanese reactionaries should learn a lesson from past history, and should not act recklessly. The scheme to dominate the world with strength is nothing but a chimerical dream. This has already been judged by history, has it not?

The Japanese reactionaries should rationally look squarely at the current of the present times, and keep in mind that their scheme to arm Japan with nuclear weapons and become a military power is leading to a road of self-destruction.

[Yi] Yes. Shall we close here today?

[Chong] Yes.

#### Former 'Comfort Woman' Details Japanese Actions

SK1801103895 Pyongyang KCNA in English 1008  
GMT 18 Jan 95

[“Crimes of Japanese Imperialists Exposed by Former ‘Comfort Woman for the Army’”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA)—A former “comfort woman for the army”, Yi Kye-wol, residing in Pyoksong County, South Hwanghae Province on the west coast of Korea, had lived without a word for more than half a century, ashamed of her past. Recently, however, she exposed to the world the crimes of the Japanese imperialists, lashed into a fury by the unjustifiable scheme of the Japanese authorities to “console” former “comfort women for the army” with a few pennies collected from civilians.

NODONG SINMUN carried her article on January 17 under the title “Japanese Imperialists were Two Legged Beasts.”

Yi Kye-wol was drafted as a “comfort woman for the army” at the age of 16. In her article she recounts the humiliation suffered by herself and her friends including Yong-cha, 14, and Ippun, 13.

One day, utterly exhausted, Yi Kye-wol told Tanaka she could not satisfy his carnal desire. Then the brute trampled her whole body under his military boots and brought his sword down on her head, leaving a scar on it.

When she was lying on her back, bruised all over, another Jap pounced upon her, seared her belly with a cigarette tip, making her fall into a swoon, complaining that she was unresponsive.

One day a brute fell upon Yong-cha when she was ill. She told him to go away because she had fallen ill. He ripped her belly open and picked out her intestines. On Sundays, the girls were forced into “traveling service.” On those days, there were neither designated “service” place nor limited time and number of callers. The Japanese imperialist beasts demanded that women should serve all the callers, say, 100 or 200 men.

A Jap who fell upon Ippun on a “traveling service” day, struck her head against a stone and, not yet satisfied, cut off her head and dismembered her.

When five girls from Huichon, Chagang Province, were caught while running away, the Japanese imperialists stripped them naked and bound them tightly and threw them into a gully hole under the eyes of “comfort women,” crying “the runaways are not worth even bullets and swords.”

When a "comfort girl," "Michiko," defied an "Imperial Army" soldier, the brutes cut her belly open and picked out the fetus and threw it on the ground and lacerated it.

Asking how the inhuman atrocities of the Japanese imperialists can be settled by a few amount of "consolatory money", Yi Kye-wol strongly demanded that the Japanese authorities open to the public and apologize for all the crimes in taking away numerous Korean women and reducing them to sex slaves and make compensation and punish those responsible.

#### Asia-Pacific Peace Committee Delegation Returns

*SK1701085595 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 13 Jan 95*

[FBIS Translated Text] A delegation of the Korean Asia-Pacific Peace Committee returned home by train on 12 January winding up its visit to Japan. Functionaries of the relevant sector greeted the delegation at the Pyongyang airport.

#### WPK, CPC Receive Message From Cuban President

*SK1801090395 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 14 Jan 95*

[FBIS Translated Text] The Workers Party of Korea [WPK] Central Committee and the DPRK Central People's Committee [CPC] have received a reply message from Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee and president of the Republic of Cuba's Councils of State and Ministers, for sending him a congratulatory message on the 36th anniversary of the victory of the Cuban revolution.

The reply message is as follows:

Pyongyang

To the WPK Central Committee and the DPRK CPC:

On behalf of the Cuban party, government, people, and myself, I convey sincere gratitude to you, the WPK Central Committee and the DPRK CPC, for sending warm congratulations and solidarity on the 36th anniversary of the victory of the Cuban revolution.

Through this opportunity, I all the more confirm our will to further expand and strengthen the fraternal friendly relations existing between the parties, governments, and people of the two countries. I truly hope for the friendly Korean people's welfare and happiness, and express the most lofty and fraternal respect to the WPK Central Committee and the DPRK CPC.

[Signed] Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee, president of the Republic of Cuba Council of State, and president of the Republic of Cuba Council of Ministers

[Dated] 9 January 1995, Havana

#### Meeting of Korea-Cuba Solidarity Committee Held

*SK1701104895 Pyongyang KCNA in English 1017 GMT 17 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 17 (KCNA)—An annual meeting of the Korea-Cuba Solidarity Committee was held in Pyongyang on January 17.

Present there were Choe Ki-yong, chairman of the State Education Commission and chairman of the committee, members of the committee, Jose Ramon Rodriguez, Cuban ambassador to Korea, and his embassy officials.

The meeting reviewed the work in the past one year for friendship and solidarity with the Cuban people who are firmly defending socialism while resolutely frustrating the blockade of the U.S. imperialists against Cuba and discussed the action program of the committee for this year.

#### Minister Sends Greetings to Jordanian Counterpart

*SK1801104295 Pyongyang KCNA in English 1009 GMT 18 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Abdel Kerim Kabariti [name as received] upon his appointment as foreign minister of the Hashemite Kingdom of Jordan.

Expressing the belief that the friendly and cooperative relations between the two countries would continue to develop on good term in the interests of the two peoples, the message wished him success in his new post.

#### Kang Receives Reply From Nepalese Counterpart

*SK1701085695 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 13 Jan 95*

[FBIS Translated Text] Comrade Kang Song-san, premier of the Administration Council, received a message of reply from Man Mohan Akhikari, prime minister of the Government of the Kingdom of Nepal, to his message to Akhikari on Akhikari's assumption to office.

The message expressed gratitude for the kind congratulatory message and hoped that the friendly ties between the two countries will further be strengthened and developed.

#### Mozambican Committee Urges Solidarity With Korea

*SK1501090895 Pyongyang KCNA in English 0813 GMT 15 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 15 (KCNA)—The Mozambican Committee for Friendship With the People of the Democratic People's Republic of

Korea on January 4 sent an appeal to the public organisations of different countries around the world on the new year 1995.

The appeal says 1994 was a year in which the Korean people under the wise guidance of the great leader Comrade Kim Chong-il achieved a great victory in their struggle for the accomplishment of the cause of socialism and peace and on the Korean peninsula and its reunification.

It calls upon the organizations to express full support and solidarity for the Korean people's struggle to achieve the complete victory of anthropocentric socialism under the leadership of the great leader Comrade Kim Chong-il in 1995, the year marking the lapse of 50 years since the foundation of the Workers' Party of Korea, Korea's liberation from the Japanese colonial rule and the division of the Korean peninsula caused by the U.S. occupation of South Korea.

It calls for an intensified movement for support to and solidarity with the Korean people in their struggle to achieve the reunification in the 90's in accordance with the proposal for founding the Democratic Confederal Republic of Koryo under the banner of "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country".

It calls for a large-scale protest movement for an end to the U.S. occupation of South Korea, repeal of the "National Security Law" and demolition of the concrete wall in South Korea and a louder voice demanding an immediate repatriation of unconverted long-term prisoners in South Korea.

#### Peruvian Committees Vow To Study Chuche Idea

SK1401043695 Pyongyang KCNA in English 0425  
GMT 14 Jan 95

[FBIS Transcribed Text] Pyongyang, January 14 (KCNA)—A joint annual meeting of the Peru-Korea Institute of Culture and Friendship and the Peruvian Committee for Supporting the Independent and Peaceful Reunification of Korea was held on January 6.

The meeting heard reports from Angel Castro, chairman of the Peru-Korea Institute of Culture and Friendship, and Oscar Felipe Bendura, secretary general of the Peruvian Committee for Supporting the Independent and Peaceful Reunification of Korea, and speeches.

The reporters and speakers said that 1994 was a year of deepest grief when the great leader President Kim Il-song, the sun of progressive mankind of the world, passed away and a year when the Korean people made great progress in firmly defending the socialism of chuche, promoting socialist construction and accomplishing the cause of national reunification under the wise guidance of the great leader Marshal Kim Chong-il.

They renewed their resolution to deepen the study of the immortal chuche idea and invigorate its dissemination

and strengthen support and solidarity for the building of Korean-style socialism and the cause of Korea's reunification and thus make closer the friendly and cooperative relations between the Peruvian and Korean peoples this year in which fall the 50th anniversaries of the foundation of the Workers' Party of Korea and the liberation of Korea.

#### Kim Chong-il Sent New Year Messages From ROK

SK1801050695 Pyongyang KCNA in English 0417  
GMT 18 Jan 95

[FBIS Transcribed Text] Pyongyang, January 8 (KCNA)—The great leader Comrade Kim Chong-il received congratulatory telegrams and letters from South Korean people including the members of the Fellowship Society for the Promotion of National Reunification in Inchon, Chong Yong-nam in Kwangju, Pak Pong-un in Pusan, Kim Chang-pok in Chonju, Chang Pong-nok in Mokpo and Kim Pong-sok in Taejon, on the new year.

The telegrams and letters say the hearts of the fellow countrymen greeting the new year are filled with longing for the fatherly leader Generalissimo Kim Il-song and the belief that the generalissimo is immediately respected General Kim Chong-il.

Comrade Kim Chong-il is a beacon of hope for the South Korean people, they say, adding that they are renewing their firm determination to vigorously fight for the cause of national reunification and uphold Marshal Kim Chong-il, the sagacious leader of the nation.

They express the resolution of the South Korean people to advance vigorously in the new year, too, toward the victory of the noble cause of national reunification under the banner of "10-point programme of the great unity of the whole nation for the reunification of the country" in the new year.

They sincerely wish Comrade Kim Chong-il good health and a long life.

#### 'Wallpaper' in ROK Said To Laud Kim Chong-il

SK1801050995 Pyongyang KCNA in English 0422  
GMT 18 Jan 95

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA)—A wallpaper in the name of the Sobaeksu Society of Seoul National University expressing deep worship of the great leader Comrade Kim Chong-il was pasted on top of a building in Sihung-tong, Kuro District, Seoul, on December 30, stirring the passers-by, according to a report of the Seoul-based radio Voice of National Salvation quoting an information of the Seoul City committee of the South Korean National Democratic Front.

Under the violet block letters "Long Live General Kim Chong-il, the Leader of the Nation!" the wallpaper 2.3

metres long and 1.95 metres wide read "Let Us Reunify the Country in 1995 Through Great National Unity."

Written in the lower part of the wallpaper were the headline "May the Great Leader Kim Chong-il Have a Happy New Year" and the following letters:

"The great leader Kim Chong-il is the great representative of the national spirit who has imbued the mind of the nation with the soul of independence and lifted the prestige of the nation to the highest peak of the world and a master of leadership who leads the destiny of the nation to victory.

"As the world is bright as there is the sun in the sky, so the future of our nation will be brighter as it has the great leader Kim Chong-il.

"His longevity is a joy and happiness for the 70 million Koreans. Let us all adjust the neckbands of our clothes and pray for the longevity of the great leader Kim Chong-il."

#### Greetings Sent to Kim Chong-il From Abroad

SK1501081995 Pyongyang KCNA in English 0805  
GMT 15 Jan 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, January 15 (KCNA)—The great leader Comrade Kim Chong-il received messages of greetings from party leaders of different countries on the new year.

The messages came from General Secretary of the Central Committee of the All-India Forward Bloc Chitta Bash, General Secretary of the Central Committee of the Workers' Party of Bangladesh Rashed Khan Menon, First Secretary of the Central Committee of the Ukrainian Communist Party P. Imonenko, Chairman of the Central Executive Committee of the Communist Party of the Russian Federation G. Uganov, Chairman of the Workers' Party of Turkey Dogu Ferincek, Chairman Rakotvo Ndriantiana and General Secretary Gisele Rabesahala of the Party of the Congress for the Independence of Madagascar, Chairman of the People's Rally of Burundi Ernest Cabusheneye, Chairman of the Party for Press Freedom on the Burundi People Alphonse Rugamzarara, Chairman of the Burundi Party of Unity for National Progress Charles Mukasi, General Secretary of the Communist Party of Cameroon Jean Pierre Gambi, Chairman of the Patriotic Federation of Venezuela Adams Larazabal, General Secretary Eustoquio Contreras and International Secretary Emil Guevara of the People's Electoral Movement of Venezuela, Secretary General Claudio Namhos and International Secretary Albenzio Dias of the Central Committee of the October 8 Revolutionary Movement of Brazil, Chairman of the Peruvian Front for National Liberation Angel Castro Lavrello and leader of the United Republican Party of Guyana Leslie Ramsammh.

The messages extend warmest greetings to Comrade Kim Chong-il on the new year and wish him a long life in good health.

The messages express the belief that the Workers' Party of Korea and the Korean people will make achievements in their work for the revolution and construction and for the reunification of the country by applying the chuche idea under the wise leadership of Comrade Kim Chong-il.

#### Foreign Publications: Kim Chong-il 'Leading' North

SK1801051595 Pyongyang KCNA in English 0426  
GMT 18 Jan 95

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA)—The Forum Publishing House of Sweden issued the 1994 year book "When, Where, How."

Printed in the part "Events" and the part "Death of Famous Persons" are a portrait of the great leader President Kim Il-song with a bright smile and a picture of his statue at the Grand Open-Air Revolution Museum in Samjiyon in the northern region of Korea. The year book says North Korean President Kim Il-song, born in 1912, passed away on July 8, 1994 at the age of 82 and that he had led his country.

The part "Independent, Sovereign States in the World" says His Excellency the great Kim Chong-il is leading the Democratic People's Republic of Korea today.

The Norwegian newspaper AFTENPOSTEN published the 1994 year book "Who, What, Where."

Printed in the part "Major Events in the Year" are a portrait of President Kim Il-song beaming with a smile and a portrait of Comrade Kim Chong-il.

The part "Famous Persons of the World" says under the title "North Korea, head of state Kim Chong-il":

His Excellency Kim Chong-il is leading all the affairs of the state after President Kim Il-song passed away.

He was elected the successor to the cause of President Kim Il-song long ago.

The part "Independent States in the World" prints the flag of the DPRK with the words "Head of State Kim Chong-il" written below.

#### Mexican Party Leader on Kim Chong-il's Treatise

SK1701102595 Pyongyang KCNA in English 1004  
GMT 17 Jan 95

[FBIS Transcribed Text] Pyongyang, January 17 (KCNA)—"Socialism Is a Science," a treatise published by respected Comrade Kim Chong-il in November last year, is an important work of international significance, said Rafael Aguilar, national chairman of the Central Committee of the Lazaro Cardenas Front Party for National Reconstruction of Mexico, on January 10.

He was receiving the Korean ambassador to his country.

"Comrade Kim Chong-il in his treatise said the crumbling of socialism in various countries does not mean the failure of socialism as science but the bankruptcy of opportunism which has corrupted socialism," said the Mexican party leader. "This proposition gives great courage to the people around the world who aspire after socialism."

"We sincerely hope that the Korean people will this year, as in the past, achieve a brilliant success in the noble efforts to build socialism under the leadership of respected Comrade Kim Chong-il and continue encouraging the struggle of the people all over the world who advocate peace and socialism," Rafael Aguilar said.

**Zimbabwean Group on Kim Chong-il's Birthday**

*SK1801051995 Pyongyang KCNA in English 0431  
GMT 18 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA)—The Zimbabwean National Committee for the Study of the Chuche Idea and the Zimbabwe-Korea Solidarity and Friendship Association issued a joint appeal on January 10 for the celebration of the birthday of the great leader Comrade Kim Chong-il.

Under the title "Let Us Assiduously Learn From Greatness of Respected General Kim Chong-il," the appeal says:

Respected General Kim Chong-il is an outstanding leader of the world revolution and the greatest general in the world, who has wholly inherited the revolutionary cause of the great leader President Kim Il-song.

Comrade Kim Chong-il is a great leader who is performing immortal feats for the Korean and the world revolution with extraordinary ideological and theoretical wisdom, tested leadership ability and ever-victorious commanding art. To be led by him is the greatest fortune not only of the Korean people but of the revolutionary people around the world as well.

We call on the peaceloving people and the chuche idea study organisations and friendship and solidarity organisations all of the world to assiduously learn from respected General Kim Chong-il on the occasion of the holiday of February.

Let us most grandly celebrate February 16, his birthday, as a common holiday of humankind.

Let us vigorously wage a campaign to make a deeper study of his famous works, outstanding ideas and theories, leadership achievements and communist virtues and organise various functions on the occasion of February 16.

February 16 is "Day of Chuche."

Let us more deeply study the great chuche idea, disseminate it widely and fight to make the whole world independent.

The current of independence cannot be blocked by any force and the new age of independence has a bright future with General Kim Chong-il as the great leader. Let us vigorously accelerate the grand march toward independence under his leadership.

**Reminiscences of Kim Il-song Reported Abroad**

*SK1701042795 Pyongyang KCNA in English 0413  
GMT 17 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 17 (KCNA)—The Thai papers XING XIAN RIBAO and BAN MUANG carried news that Volume 5 of Part 1 the anti-Japanese revolution of "With the Century," the reminiscences of the great leader President Kim Il-song, was published and its main contents [sentence as received].

XING XIAN RIBAO stressed that the reminiscences would be read as a true textbook of revolution and construction and valuable mental pabulum of life and struggle.

The Indian paper SAMACHAR POST serialized the full text of "The Down-With-Imperialism Union" from Volume 1 of Part 1 the anti-Japanese revolution.

The Russian paper VETERAN NO. 39 carried "The Snowstorm in the Tianqiaoling Mountains" and "In the Bosom of the People" from Volume 3 of Part 1 the anti-Japanese revolution and Radio America of Nicaragua continuously broadcast Volume 1 of Part 1 the anti-Japanese revolution.

**Youth Group Expresses Praise for Kim Il-song**

*SK1801043895 Pyongyang KCNA in English 0409  
GMT 18 Jan 95*

[ "President Who Exalted History of Youth Movement"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 17 (KCNA)—Today is the 49th anniversary of the Foundation of the League of Socialist Working Youth of Korea (LSWYK).

On this occasion, the young people of Korea look back on the imperishable achievements of the great leader President Kim Il-song who opened a new epoch for the youth movement of Korea and led it to a brilliant victory.

The great leader President Kim Il-song said:

"We have given deep attention to the solution of the youth problem since the first days of our revolutionary struggle and have succeeded in solving it at each stage of our revolutionary development."

President Kim Il-song embarked on the road of revolution in his early years, propounded a unique chuché-based idea and policy on the youth movement and devoted his energies to the strengthening and development of this movement.

He formed the Down-With-Imperialism Union, the First Communist Revolutionary Organisation in Korea, in October 1926 and then the Anti-Imperialist Youth League and the Young Communist League of Korea.

Drawing on the rich experience gained in the youth movement during the anti-Japanese revolutionary struggle, the president founded the Democratic Youth League of Korea, a mass-based youth organisation embracing the young people from all walks of life, in January 1946.

He renamed the Democratic Youth League the League of Socialist Working Youth of Korea in May 1964 so that it could develop into a powerful revolutionary and militant organisation fighting for socialism and communism and its role be enhanced further.

At the fifth congress of the DYL, the national meeting of young people for general mobilization, the sixth congress of the LSWYK and other national meetings, he indicated the orientation and ways of strengthening work among the young people.

His letter to the 8th congress of the LSWYK in February 1993 "young people must accomplish the revolutionary cause of chuché, upholding the leadership of the party" served as a guiding compass for the development of the Korean youth movement and a great programme of the communist youth movement.

Under the wise guidance and deep trust and care of President Kim Il-song the young people of Korea have grown to be vanguard of the revolution and dependable heirs to the Workers' Party of Korea and have covered a path of brilliant victory in accomplishing the cause of socialism.

They have devoted their youthful wisdom and energies to the revolution and construction and performed heroic feats that will shine forever in the annals of the country.

Recorded in the fruitful annals of the Korean revolution that has victoriously pushed through a bloody path are countless young heroes who laid down their precious lives for the party and the leader, the country and the people.

Kim Hyok who composed and disseminated the first revolutionary song "The Star of Korea" dedicated to Comrade Kim Il-song, Kim Chin who silenced the enemy's pillbox with his chest in the 1930s during the anti-Japanese armed struggle, Yi Su-pok and Pak Won-chin who laid down their lives for the country during the rigorous fatherland liberation war were all young people in their teens or twenties.

The young people have performed brilliant feats in the building of socialism.

The West Sea Barrage rare to be seen in the world, the 250 odd km-long youth railway section between Hyesan and Manpo, the modern May Day Stadium and public buildings in the capital city were all built by young people with their own efforts as monumental edifices.

The cause of socialism of Korea which was pioneered and victoriously advanced by the first and second generations of the revolution is being creditably carried forward by the third and fourth generations.

The Korean youth movement is now growing stronger and developing further under the wise leadership of the great Comrade Kim Chong-il.

The young people of Korea are vigorously advancing to accomplish the revolutionary cause of chuché, united in one mind around Comrade Kim Chong-il, the great leader of the Workers' Party of Korea and the Korean people.

#### Electric Power Production Increase Reported

SK1801102895 Pyongyang KCNA in English 1000  
GMT 18 Jan 95

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA)—The electric power producers of Korea are increasing production by working hard to make the country more prosperous.

According to data available at the Ministry of the Power Industry, its daily quotas are being fulfilled at 110 percent these days.

The Kanggye Youth Power Station and the March 17 United Hydroelectric Power Station are fulfilling their daily assignments at 115 and 110 percent respectively.

The Pukchang Thermal Power Complex has increased the electric output by 10,000-20,000 kwh per generator as against the end of last year by operating all the generators at full capacity.

Power output has also grown at the Pyongyang Thermal Power Complex, the Hochongang Power Station, the Changjagang Power Station and other power stations.

#### Pukchang Power Complex Increases Generation

SK1801023695 Pyongyang Korean Central  
Broadcasting Network in Korean 2100 GMT 12 Jan 95

[FBIS Translated Text] With the resolve to mark the 50th anniversary of the founding of the Workers Party of Korea with high political enthusiasm and brilliant labor feats, electricity fighters of the Pukchang Thermal Power Complex are scoring gains in power generation by fully operating all the power generation equipment.

Kang Yong-so, reporter of the Central Broadcasting Station, interviewed Comrade Kim Song-su, director of the Production Guidance Department of the complex.

[Begin Kim recording] Electricity producers of the Pukchang Thermal Power Complex who have risen to implement the tasks set forth in the joint editorial carried by NODONG SINMUN from the beginning of this year, are effecting upsurges in power generation by operating all the power generation equipment at full capacity. From the first battle in the new year, all the operators of the generators have accomplished a proud achievement of generating 4 million kilowatts more than that of the end of last year by raising the efficiency of transmission at each generator. Showing no abatement of such spirit, all the operators have topped their daily quotas by 4 to 5 million kilowatts. In particular, operators of the Nos. 4 and 11 generators standing at the forefront have continuously buckled down to the management of generation equipment and technology, increasing power generation. These generators produce 10,000 kilowatts an hour more than other generators. This achievement stems from the complex's watertight preparations for this year's battle to increase generation. [end Kim recording]

### 17 Mar Plant Power Generation Increase Reported

SK1801110295 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 17 Jan 95

[FBIS Translated Text] The working class of the 17 March Hydroelectric Power Plant and Enterprise—that has turned out to accomplish the militant tasks of the second year of the adjusting period, while upholding our party's revolutionary economic strategy—is achieving innovations in the generation of electric power.

According to relevant data, the working class of this power plant and enterprise has displayed great enthusiasm and fighting spirit even in the first battle of the new year, thereby fulfilling the daily plans for electricity generation by 105.3 percent in only about 10 days.

The workers and technicians at No. 3 Generating Workshop, No. 2 Workshop, No. 5 Generating Workshop, and the (Puryong) Power Plant are overfulfilling daily electric power generation plans by over 107 percent by achieving collective innovations, while taking good care of the structures and facilities, and strengthening the links between the relevant sectors.

### Mineral Resources Survey Team Marks Anniversary

SK1801131495 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 14 Jan 95

[FBIS Translated Text] A report meeting to commemorate the 40th anniversary of the founding of the Central Mineral Resources Survey Team was held on the spot on

13 January. The report meeting was attended by Comrade So Yun-sok, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and responsible secretary of the South Pyongan Provincial Party Committee and chairman of the South Pyongan Provincial People's Committee; (Hyon Un-chin), director of a department of the Ministry of Natural Resources Development, and relevant functionaries and employees.

The participants paid silent tribute to the great leader Comrade Kim Il-song, who devoted his whole life for the prosperity and development of the country and the happiness of the people. During the report meeting, Comrade So Yun-sok conveyed the congratulatory message from the WPK Central Committee to the scientists, technicians, employees of Central Mineral Resources Survey Team.

In the congratulatory message, the WPK Central Committee ardently congratulated all the scientists, technicians, and employees on the 40th anniversary of the founding of Central Mineral Resources Survey Team and complimented their active contribution to scientific and technological development in the survey of mineral resources and geological features, upholding the party's policy on geological survey. The congratulatory message commended the researchers of Central Mineral Resources Survey Team, who crossed rugged mountains and walked hundreds of thousands of ri to carry out the massive survey work in a short time with ardent patriotism. They drew up scores of sets of maps, including the state geological map and Korea geological map, and provided a basis for scientifically surveying the country's underground resources.

The congratulatory message stressed that Central Mineral Resources Survey Team discovered thousands of mineral veins and contributed to turning Komdok, Musan, Mannyon, and Anju into large-scale bases of mineral and coal production. The team surveyed and developed many nonferrous metal mines and chuchen-based cement material bases, thus further integrated the structure of our country's self-reliant national economy.

In the congratulatory message, the WPK Central Committee highly appraised the scientists, technicians, employees of the Central Mineral Resources Survey Team, who have demonstrated the patriotic loyalty and collective spirit, and excellently carried out revolutionary missions they are entrusted with for the past 40 years. The congratulatory message stressed the committee firmly believes that the scientists, technicians, employees of the Central Mineral Resources Survey Team will repay the party's trust and expectations by upholding the party's leadership and carrying out revolutionary missions with responsibilities.

In the report meeting, Kim Su-il, secretary of the primary party of the survey team, gave a commemorative report, followed by discussions. A letter of pledge to

Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, was adopted at the report meeting.

### Increases in Iron, Steel Production Reported

*SK1701040895 Pyongyang KCNA in English 0401  
GMT 17 Jan 95*

[FBIS Transcribed Text] Pyongyang, January 16 (KCNA)—The metal industrial workers of Korea are boosting the iron and steel output.

According to Yun Son-tok, vice-director of the Metal Production Guidance Department of the Ministry of Metal Industry, the output in recent ten days was up 0.3 percent in pig iron and 2 percent in steel and rolled steel above the same period of the previous month.

In this period the Kim Chaek Iron and Steel Complex, a metallurgical giant, lifted the output of pig iron 4 percent and rolled steel by over 2,000 tons.

The Chollima Steel Complex is topping the daily quotas for steel 50 percent.

The Hwanghae Iron and Steel Complex and the Songjin Steel Complex augmented the output of pig iron, steel and rolled steel by thousands of tons.

The Musan Mining Complex and the Unnyul Mine have lifted the daily output of headings and ores 28 and 34 percent.

### Plant Achieves Innovations in Export Goods

*SK1801110195 Pyongyang Korean Central  
Broadcasting Network in Korean 2200 GMT 17 Jan 95*

[FBIS Translated Text] According to a report filed by station correspondent (Choe Chin-kun), the party members and workers of the Songdo Clothing Plant in Kaesong are achieving new innovations in the production of export goods, while upholding the party's trade-first policy.

The functionaries and workers there have achieved great success in overfulfilling 70 percent of the monthly plan in only 10 days by vigorously waging the struggle to increase production even in the first battle of the new year, while being resolved to effect a new turn in the production of export goods in this meaningful year which will mark the 50th anniversary of the party's founding.

The workers in the garment cutting workshop, including workshop leader Comrade (Kim Hak-song), who are in charge of the first step in the production, are cutting every garment one week ahead of schedules by actively introducing an advanced garment cutting method. The workers at Nos. 1 and 2 Coat-Making Workshops are achieving great success in overfulfilling daily plans by over 200 percent by unceasingly increasing the technical standard and achieving collective innovations in relevant processes.

**People Urged To Make Country More Prosperous**  
*SK1801103095 Pyongyang KCNA in English 1018  
GMT 18 Jan 95*

[“NODONG SINMUN Calls For Making the Country, the Motherland, More Prosperous”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA)—Let all of us work in one mind to make our country, our motherland more prosperous as soldiers and disciples of the great leader Comrade Kim Il-song—this is the firm resolution made and will renewed by the great leader of our party and people Comrade Kim Chong-il, seeing out 1994, the year of bitter tears and sorrow at the loss of Comrade Kim Il-song, and taking the first historical step in the new year, and his ardent appeal to the whole party, the entire people and the whole Army.

NODONG SINMUN today says this in a political essay headlined “To Make Our Country, Our Motherland More Prosperous.”

Entering 1995, Comrade Kim Chong-il ardently called on all of us, his revolutionary soldiers, to work in one mind to make our country, our motherland more prosperous, the political essay says, and continues:

For making our country, our motherland more prosperous—this is the great will of patriotism, the will of loyalty to successfully keep the solemn pledge we made in tears before the bier of Comrade Kim Il-song, remaining his soldiers and disciples.

Comrade Kim Chong-il said:

“I have always regarded myself as a soldier of the leader. Though the leader passed away, I will invariably remain his soldier as I was in his lifetime and bring his revolutionary cause to completion.”

For our people, their country and their motherland are great ones shining with the august name of Comrade Kim Il-song. The ancestral father who founded the first state of our nation is King Tangun. But the father of socialist Korea, our people's true country and true motherland, is Comrade Kim Il-song.

Our country and our motherland founded by Comrade Kim Il-song and guided by Comrade Kim Chong-il are the best ideal ones in the world where a socialist system centred on the popular masses, the first of its kind in history, was established and the people are fully enjoying an independent and creative life.

There are no more important mission, nobler sense of morality and obligation and purer loyalty than making our beloved country and motherland more prosperous as the soldiers and disciples of Comrade Kim Il-song, thus glorifying through generations Korea shining with his august name. To make our country and our motherland more prosperous is the way for the true soldiers to realise what the fatherly leader Comrade Kim Il-song intended

in his lifetime, consolidate the invincible bastion of socialism and achieve eternal happiness.

The soldiers of the great leader, the disciples of the great leader—this is the everlasting name which Comrade Kim Chong-il gave all of us when we set out on the march in the new year and it defines our immovable stand and attitude.

Let us cherish this precious name in our mind like our lives and glorify it. Let us work with might and main to make our country and our motherland more prosperous as the soldiers and disciples of Comrade Kim Il-song.

Let us show to the whole world how energetically the soldiers of Comrade Kim Il-song and General Kim Chong-il work and shape a bright future, united more closely around Comrade Kim Chong-il and faithful to his idea and leadership.

### Talk Stresses Self-Reliance, Fortitude

SK1801120195 Pyongyang Korean Central  
Broadcasting Network in Korean 0935 GMT 14 Jan 95

[Unattributed talk: "The Revolutionary Spirit of Self-reliance and Fortitude Is the Indefatigable Revolutionary Spirit and Our-Style Method of Carrying Out the Revolution"]

[FBIS Translated Text] All the party members and working people across the country are vigorously accelerating the initial march of the new year to adorn this significant year—which marks the 50th anniversary of the party founding and the 50th anniversary of the fatherland liberation—brilliantly as a year of victors to display the might of our party, our country, and our nation more highly to the entire world.

This year our party and people have a heavy but honorable task of enhancing the people's living standard significantly and comprehensively displaying the superiority of the socialism of our country by further strengthening the party and the revolutionary ranks and thoroughly implementing the party's revolutionary economic strategy with the might of the wholehearted unity.

One of the important ways to successfully carry out this year's tasks set forth in the joint editorial carried by NODONG SINMUN is to more highly display the revolutionary spirit of self-reliance and fortitude in all sectors and units of the revolution and construction.

The dear leader Comrade Kim Chong-il has noted: The prevailing situation demands that we display the revolutionary spirit of self-reliance and fortitude more highly than ever. We should not count on anyone, but carry out the revolution for ourselves.

The revolutionary spirit of self-reliance and fortitude is the indefatigable struggle spirit and our-style method of carrying out the revolution which the great leader Comrade Kim Il-song implanted in us.

Self-reliance is the revolutionary spirit peculiar to the communists who struggle to realize the chajusong of the working class and the working masses. Self-reliance is a thorough revolutionary position of carrying out the revolution of one's own country to the end while taking responsibility for it oneself, no matter how arduous the road of the revolution may be; and fortitude is an indomitable, stubborn struggle ethos of not being shaken or retreating faced with difficulty or trial but fighting against it and breaking through it.

More highly displaying the revolutionary spirit of self-reliance and fortitude is essential requisite to adhering to national sovereignty and dignity to the end and bringing forth more wealth and strength to our country and our fatherland under today's condition where the imperialists and all sorts of reactionaries are stepping up their maneuvers to crush [apsal] our-style socialism.

Today, when socialism is frustrated in many countries of the world, the imperialists and reactionaries are directing their spearhead of attack against our Republic, the fortress of socialism, employing all sorts of vicious maneuvers to isolate it politically, threaten it militarily, and stifle [chilsiksikiryogo] it economically. Under the grave environment in which the enemy's attack is concentrated on us, the only way to defend national sovereignty and dignity is self-reliance.

We must solve all problems for ourselves to defend national sovereignty and dignity through self-reliance and fortitude. If we do not do likewise and try to solve the problems relying on others, we will fail, and we will not be able to defend the country's sovereignty and national dignity from the enemy's infringement [chimhae] after all.

To build our fatherland wealthier and stronger, self-reliance and fortitude is the only correct way to follow. Under the present circumstances, unless we solve the approaching impasses and difficulties for ourselves through self-reliance and fortitude, we cannot accelerate the country's economic construction, nor can we highly display the superiority of our-style socialism.

Truly, putting into practice self-reliance and fortitude with the self-awareness befitting a master that the master of our destiny is we ourselves is our people's indefatigable spirit of advancing and struggling without the slightest perturbation under today's difficult and complicated environment, and a struggle method of steadfastly pushing ahead with the revolution in our own style.

When we highly display the revolutionary spirit of self-reliance and fortitude, we do not yield to any difficulty or trial but can overcome it well with the strength of our own people and effect epochal change in the revolution and construction. This is well shown by the historical experience of our revolution of traversing the single road of victory and glory under the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

The great leader Comrade Kim Il-song, who held aloft the revolutionary slogan of self-reliance right at the very initial period of undertaking on the road of the revolution, victoriously pioneered the road of the Korean revolution under that slogan, and overcoming all sorts of trials, he brilliantly accomplished the historic cause of national liberation.

After the liberation, the great leader held further aloft the revolutionary slogan of self-reliance in every period of the revolution and construction, and organizing and mobilizing the popular masses, he overcame the approaching difficult situation and brought forth new victories.

In the difficult post-war period of 1956, when our revolution was faced with a grave trial, the great leader held aloft the revolutionary banner of self-reliance. With firm confidence in the popular masses, he organized and mobilized their strength, overcame the difficulty, and effected the great chollima upsurge in socialist construction.

Our people daringly broke through many-fold difficulties for themselves displaying the revolutionary spirit of self-reliance and fortitude following the road directed by the great leader, and built the foundation for independent industry on the ruins within a short period of time. By so doing, they built a self-reliant national economy and brought forth a great change, removing the trace of falling behind and serious poverty.

The dear leader of our party and people, Comrade Kim Chong-il, exercised his energetic leadership so that the party members and working people could highly display the revolutionary spirit of self-reliance and fortitude implanted by the great leader, thus bringing forth new rapid progress in the revolution and construction.

The Chuche Idea Tower, the Arch of Triumph, the Sohae Lockgate, 1 May Stadium, and other great monumental creations were built in various places like forest, fundamentally transforming the cities and rural areas, including the revolution's capital Pyongyang. This was a brilliant fruition brought forth by our people's revolutionary spirit of self-reliance and fortitude under the outstanding and tested leadership of the dear leader Comrade Kim Chong-il.

Truly, the revolutionary spirit of self-reliance and fortitude is the strong struggle spirit of our people with which they fall down 100 times but get up 100 times unyielding to any difficulty or trial under our party's leadership. It is the method of carrying out the revolution which was given by the great leader and which is embodied by our people themselves who build their wealthy and strong fatherland, producing what they do not have and finding what is short.

The revolutionary spirit of self-reliance and fortitude, which has been streaming in the red banner of our

revolution since the days of the anti-Japanese revolutionary struggle, is cherished deep in the hearts of our people today as the great revolutionary banner firmly ensuring the victory of the chuche revolutionary cause.

Herein—where we more highly display the revolutionary spirit of self-reliance and fortitude, which is our-style method of carrying out the revolution—lies the secret of successfully carrying out the difficult and enormous revolutionary task for this year.

The struggle experience of Chonchon County Commercial Management Station and Maengsan County functionaries shows well that there is nothing we cannot accomplish and we can overcome any impasse and difficulty as long as we faithfully uphold the party's leadership and put into practice self-reliance and fortitude.

What matters is faithfully upholding the party's militant call for self-reliance and fortitude and displaying heroic struggle ethos of solving all problems for oneself, as did the first and second generations of the revolution. If we struggle with this ethos, we will be able to implement the party's revolutionary economic strategy thoroughly this year, enhancing the people's standard of living significantly, more highly displaying the superiority of our-style socialism. At the same time, we will be able to resolutely destroy [chitpusigo] the maneuvers of the imperialists and reactionaries to crush [apsal] our Republic, firmly defend the banner of socialism, and powerfully demonstrate the nation's dignity.

All the functionaries and working people should uphold the slogan of loyalty "What the party decides, we will do," and thoroughly display the revolutionary ethos of carrying out for themselves the revolutionary task entrusted to them.

Our people should wholeheartedly unite around the dear leader Comrade Kim Chong-il and more highly display the revolutionary spirit of self-reliance and fortitude, thus adorning this significant year as a year of victors. By so doing, our people will actively contribute to making our fatherland wealthier and stronger.

## South Korea

### Daewoo, DPRK Agree on Light Industry Project

SK1801060595 Seoul HANGUK ILBO in Korean 18 Jan 95 p 11

[Report by Yi Che-yol]

[FBIS Translated Text] On 17 January, Daewoo Group Vice Chairman Yi Kyong-hun who headed a five-member delegation returned home via Beijing aboard an airliner of the Civil Aviation Administration of China from its five-day visit to Pyongyang and Nampo. Upon arrival, he revealed: "Daewoo agreed with North Korea to invest not only in the nine fields of light industry but also in electronics." He then added: "We plan to run a

light industrial complex in Nampo from April after we win approval from the government."

The following is an interview with the vice chairman:

[Reporter Yi] Would you briefly describe your visit to Pyongyang?

[Vice Chairman Yi] During our five-day stay in Pyongyang, we met officials of North Korea's External Economic Committee. We also visited the Nampo industrial complex and viewed construction work for the three apparel-sewing factories that will be set up. Two factories have been completed and the remaining one is 95-percent complete. Instead of visiting the Najin-Sonbong zone, we held in-depth discussions with Yi Song-nok, vice chairman of the External Economic Committee, on ways for investing in social overhead capital there.

[Reporter Yi] When will the three plants in Nampo begin operations?

[Vice Chairman Yi] It appears that this will probably be in April at the soonest. We also held detailed discussions on how to bring in facilities and equipment to Nampo and visits by our technicians. We plan to start operation as soon as the government approves of the business project.

[Reporter Yi] We know that Daewoo Electronics President Pae Sun-hun accompanied the delegation. Did Daewoo and North Korea also agree on investments in the field of electronics?

[Vice Chairman Yi] I think a joint venture in the electronics field is plausible. Daewoo will operate an electronics industrial complex as well as a light industrial complex in Nampo, and not in the Najin-Sonbong zone.

[Reporter Yi] What about the establishment of branch offices?

[Vice Chairman Yi] There were discussions on setting up offices in Pyongyang and Nampo. However, I will clarify this matter upon consultations with the government.

[Reporter Yi] Daewoo and the North previously drew up a contract to build nine factories in the Nampo industrial complex and construction for three of them have been completed. What about the other factories?

[Vice Chairman Yi] We agreed to follow through soon on investments in the other projects agreed upon between chairman Kim U-chung and the Samchongri General Company in January 1992, such as the shoes and underwear projects.

### LG Extends 3-Stage Investment Plan to DPRK

SK1801090595 Seoul YONHAP in English 0649 GMT  
18 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—With South Korean companies scrambling to get a toehold in North Korea, LG has entered the investment fray.

The business group has decided to send a six-member survey team, including LG International Corp. President Pak Su-hwan and Senior Managing Director Yi Su-ho, to Pyongyang and the Najin-Sonbong trade zone next week, LG officials said Wednesday.

The team plans to consult with North Korean authorities on constructing an industrial complex for small South Korean companies, maintenance and facility expansion of the Kim Chek Foundry and Najin oil refining factory, and establishment of a color TV assembly plant, the officials noted.

During its stay in the North, the team will present LG's three-phase economic cooperation plan, they said.

The first stage includes the creation of an industrial complex for South Korean companies, trading in such materials as silver, zinc and steel, expansion of processing-on-commission (POC) projects and enlargement of production facilities at the Kim Chek steel mill, the officials disclosed.

Topping the list is construction of a color TV assembly plant in Nampo which will churn out 100,000 sets a month.

During the second stage, LG plans to begin normal operation of the Kim Chek foundry, which is idle at present and whose products are low in quality, after improving facilities.

In addition, the South Korean company wants to engage in petroleum-related POC business by introducing crude oil to the Najin oil refining factory, which is also said to be idle now due to an oil shortage.

But these two projects can be carried out only after LG obtains the Seoul government's approval since they are classified as strategic fields, the officials pointed out.

In the final stage, LG aims to take part in the North's Sungri (victory) automobile production in the form of a joint venture.

Following the survey team's trip, an official LG delegation will visit the North in March or April, they said.

### Institute: DPRK Hopes To Attract \$3.3 Billion

SK1801044795 Seoul YONHAP in English 0248 GMT  
18 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—North Korea hopes to attract 3.3 billion U.S. dollars worth of foreign capital to develop social infrastructure at the Najin-Sonbong Free Economic and Trade Zone to foster the region as a base for international exchanges, a local research body said Wednesday.

According to the Daewoo Research Institute, North Korea has drawn up a three-phase scheme to develop the region by the end of 2010 and make it an international base for goods transport, exports of processed goods and tourism.

In order to carry out the plan, the communist country aims to draw 3,325,840,000 dollars from foreign businesses for 23 large projects in the field of social infrastructure.

The projects include Najin Port expansion that may cost about 1.5 billion dollars, construction of Sonbong Airport, road building between Najin and Saeppyeol (112 km), electrification of the railroad between Hoeryong and Haksong (168 km), and construction of a Najin Telecom Center.

In the first stage from 1993 to 1995, North Korea will newly construct or expand roads and railroads to link its transportation network with Chinese or Russian cities as well as develop an industrial complex in Najin.

Moreover, the country will enhance the annual capacity of Najin, Songong and Chongjin Ports for loading and unloading cargo from the current 3 to 8 million tons each to more than 20 million tons apiece.

During the second stage from 1996 to 2000, Pyongyang hopes to attract foreign capital for manufacturing by developing the Uungsang and Kwangok industrial parks and building further social infrastructure.

In the third stage from 2001 to 2010, it aims to develop more industrial complexes and expand ports to 100 million tons of annual capacity for loading and unloading cargo.

Meanwhile, Daewoo advised South Korean companies to focus on investment in construction of social infrastructure in the first stage of the North Korean plan.

#### Shinwon Group Agrees With DPRK on Projects

*SK1701113895 Seoul YONHAP in English 1100 GMT 17 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 17 (YONHAP)—South Korea's Sinwon Business Group has just agreed with North Korea to create sewn goods plants in Pyongyang and Nampo in a joint-venture scheme. Pak Song-chol, group chairman, said Tuesday.

Pak, on arrival at Kimpo Airport from his nine-day visit to North Korea, said his group will in addition take part in a heavy industry project in the Najin-Sonbong special economic district along the northeast coast of North Korea.

"I also agreed with North Korea to erect a Christian church in the Najin-Sonbong area in the next few months," Pak said. He was the first South Korean businessman ever to visit North Korea since the turn of the year on an individual basis.

He said that the church, if actually built as planned, would be the third Christian church in North Korea.

The sewn goods plant to be erected in Nampo would be capable of turning out about 30 million dollars worth of sewn goods a year, he said.

Saying that he agreed with North Korea to create his group's office in Pyongyang, Pak said a working-level team of his group would visit Pyongyang toward the end of this month to have concrete talks on the agreed-on projects.

"I myself plan to visit Pyongyang again in two to three months," he said.

#### NUB Reports Increase in N-S Trade in 1994

*SK1701051095 Seoul CHOSON ILBO in Korean 17 Jan 95 p 3*

[Report by Kim Yon-Kuk]

[FBIS Translated Text] Despite last year's strained inter-Korean relations resulting from Kim Il-song's death and the nuclear issue, inter-Korean trade in 1994 totalled over \$227.9 million, breaking all records since the beginning of trade between the North and South began in 1988.

According to the report on the status quo of inter-Korean trade in 1994 released by the National Unification Board [NUB] on 16 January, the overall trade volume increased by 14.6 percent compared with 1993: \$202.95 million worth of goods had been imported from and \$24.95 million worth of goods had been exported to North Korea.

Particularly, processing-on-commission trade totalled \$16.37 million, an increase of 3.7 times compared with \$4.38 million in 1993. In addition, 64.1 percent of imported goods were steel and metal goods, including gold and zinc. Agricultural, forestry, and fishery goods—including peanuts and walnuts—accounted for 16.9 percent; textile goods—including clothes—accounted for 11.2 percent.

#### Fraud Alleged in N-S Economic Cooperation

*SK1801100295 Seoul SEOUL SINMUN in Korean 18 Jan 95 p 9*

[Article by reporter O Il-man]

[FBIS Translated Text] Since early this year, South-North economic cooperation led by private enterprises has been proceeding at a rapid pace. Under these circumstances, "swindlers involved in South-North economic cooperation" are slowly raising their heads. In other words, an increasing number of swindlers are attempting to get a good share of profits from some ROK businessmen who are trying to make haste to advance into North Korea under the circumstances in which economic cooperation is proceeding in earnest.

Even the officials from the Koryo National Industrial Development Association [KNIDA] and the Committee for the Promotion of External Economic Cooperation [CPEEC], which are known to be the DPRK windows for South-North economic cooperation, have recklessly promised various ROK enterprises to have the exclusive

rights to conclude contracts on economic projects. As a result, some ROK enterprises have suffered from "indirect swindling cases" because they have trusted such contracts.

For the most part, small- and medium-sized ROK enterprises, which do not have sufficient capabilities to pioneer the North Korean market, have fallen prey to such fraud. Such small enterprises are easily biting the bait of fraud claiming that such ROK businessmen would get the permits for doing business in North Korea from the influential officials at the National Unification Board [NUB] or the Agency for National Security Planning [NSP].

A typical example is Mr. Choe Sung-yong, 51, a trading merchant, who was arrested on 16 January. Mr. Choe had approached a certain Mr. Won who had tried to establish a mineral water plant in North Korea. Mr. Choe swindled 40 million won in Korean currency out of Mr. Won under the pretext that he would have to spend entertainment expenses to get relevant business permits, saying: "I will make sure that you get a relevant business permit from influential officials at the NUB and NSP."

Hong Chi-son, director of the North Korean Affairs Office at the Korea Trade Promotion Corporation, said: "Contrary to our expectations, many businessmen from small- and medium-sized enterprises are believing that if they do business with North Korea, they will gain much profit. There will be many swindling cases involving the mineral water—for whose business not much money will be needed—and fine art works, whose authenticity cannot be confirmed. We are very concerned that fishery products and herb medicines produced in the PRC will be hawked as if they were produced in North Korea."

Director Hong advised pertinent enterprises to use prudence in closing contracts, pointing out that there are many cases in which the KNIDA concludes a single contract with several ROK enterprises simultaneously and pushes for detailed projects with those enterprises, and, then, even abrogates this contract itself later.

South Korean businessmen are using Beijing as a major outpost for their advance into North Korea. In Beijing, Korean-Americans and Korean-Japanese, who are free to come and go to and from North Korea, volunteer to serve as go-betweens and approach the South Korean businessmen, while showing off some photographs in which they are posing next to influential North Korean officials. There are even cases in which some people introduce themselves as officials from the KNIDA or CPEEC, which are known to be the windows for the cooperation with the South.

Large business groups had many experiences in which, in the early nineties, they were swindled out of "a paltry sum" of \$2,000 to \$3,000 as a starter fee for business projects. An enterprise, whose company name begins with a letter K, has been swindled out of 10 million won

as a starter fee to import fishery products; later, the enterprise abrogated the contract after finding out that it was a fraud.

In this connection, since the government issued its measure on 8 November last year "to galvanize the South-North economic cooperation," the officials of large conglomerates, who are in charge of projects related to the North, have unofficially asked the government to identify the personal details of the middlemen who are working for their conglomerates' business in North Korea. Nam Kang-hui, a section chief of Samsung Corporation, said: "We have once been approached by Korean-American or Korean-Japanese residents who claim that they can exercise their good offices for us to realize transactions with influential North Korean officials. At the present moment, because large business groups have already secured their own information networks and their own reliable middlemen, such Korean residents in the United States and Japan are now turning to small- and medium-sized businessmen."

Yang Pom-chik, a researcher at the Cheil Economic Research Institute, predicted that there would be many swindling cases involving real estate properties with regard to the South-North economic cooperation. This is because, unlike the PRC, North Korea, which has no enough available capital, is going to lure foreign capital to invest in SOC facilities, such as roads and ports.

One NUB official concerned said: "A ROK real estate agency, whose name begins with a letter K, has announced that it has obtained the sales rights regarding the Yukyong Hotel in North Korea; or some enterprises have disclosed that they will build an office building in Pyongyang. But, I am questioning their ulterior motives with regard to this. Swindling cases inflicted pain upon our enterprises in the eighties, when ROK businessmen were trying to advance into the PRC or the former Soviet Union. Such kinds of swindles have come to life again in the process of the South-North economic cooperation. ROK businessmen are required to take special caution and countermeasures to cope with this."

**Delivery of DPRK Apples Delayed Until Feb**  
SK1701012195 Seoul YONHAP in English 0045 GMT  
17 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 17 (YONHAP)—A North Korean shipment of apples to the South that was originally slated for mid-January has been put off until early February.

Business sources said Tuesday [17 January] that (North) Korean General Trading Co. of agricultural products postponed plans for shipping the first 3,000-ton batch of 15,000 tons of apples from Haeju Port on the West Coast around Jan. 15 to early next month because preparations are incomplete, including measures to prevent damage from cold weather.

The decision was conveyed to the South Korean importer, Baiksan Trading Co., by Richmax International Co. of Hong Kong, an export agent for North Korean apples.

The first 3,000-ton shipment is expected to leave Haeju Port on or around Feb. 4 and arrive at Pusan port around Feb. 10, with the remainder reaching the South within a month, the sources said.

The apples being brought in by two South Korean importers including Baiksan will be handed over to the Agricultural and Fishery Marketing Corp. for sale to food processors like Sammi Foods Co., which will process them into juice and supply the finished product to beverage firms such as Lotte Chilsung Beverage Co. and Haitai Beverage Co.

The import price of the North Korean apples is 507 won per kilogram, higher than the 400-won wholesale price of South Korean apples for processing, according to the sources.

#### North Said Better Investment Than PRC, SRV

SK1601014495 Seoul YONHAP in English 0126 GMT  
16 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—North Korea provides comparatively better conditions for foreign investment than China and Vietnam, the Daewoo Research Institute said Monday.

The think tank of one of South Korea's largest business groups came to this conclusion after studying conditions in the three countries for foreign investment.

In the field of taxation, North Korea has set corporate income tax rates at 25 percent for the general area, 14 percent for its free economic and trade zone, and 10 percent to encourage investment areas, lower than those of China and Vietnam.

In China, the corporate income tax for foreign investment is 33 percent in the general area, 15 percent in free economic and trade zones, and 15 percent in encouraging investment areas.

Regarding the individual income tax system for foreigners, North Korea exempts those who earn 930 U.S. dollars or less per month from taxation, compared to China and Vietnam which have set tax exemption limits of 145 dollars and 253 dollars, respectively.

North Korea also offers a better tariff policy for foreign corporations than its two communist allies.

North Korea has a similar system to China and Vietnam in employment, rental period for land and supply of raw materials for foreign corporations, but charges foreigners cheaper rent for land—0.82-3.18 dollars per square meters a year—compared to 1-6 dollars per square meter a year in China and 0.5-25 dollars per square meter yearly in Vietnam.

In addition, North Korea has better road and railroad networks than the other two nations but is inferior in terms of electricity, ports, political stability, and other political and social conditions.

Daewoo added that North Korea prefers investments by developed countries such as the United States and Japan to those by South Korean corporations.

Therefore, South Korean companies are being advised to advance into North Korea through joint ventures with foreign businesses like those from China or firms linked with Chochongnyon [General Association of Korean Residents in Japan]—the pro-Pyongyang organization of Koreans in Japan.

#### DPRK Said To Request Chartered Taiwan Flights

SK1801073195 Seoul CHUNGANG ILBO in Korean 18 Jan 95 p 2

[By correspondent Yu Kwang-chong from Taipei]

[FBIS Translated Text] It was learned on 18 January that Pyongyang is pursuing the launch of a chartered flight between Pyongyang and Taipei for the "International Peace Sports, Cultural Festival," which is slated for April in Pyongyang.

According to a source in Taiwan, North Korea sent an official document to the Taiwan Government in the name of the "Korean International Tourist Company" in December of last year through the "Chaoda Tourist Company," a joint venture tourist company between the two countries based in Taiwan, and is currently inquiring into Taiwan's intentions regarding a chartered flight to North Korea. In the official document sent to the Taiwanese Government, North Korea asked the Transportation Ministry and Foreign Ministry of Taiwan to send chartered planes of Taiwan's "China Airlines" and "Eva Airlines" to North Korea from 18 April, a few days prior to the start of the festival, which is slated for 25 April to 2 May.

North Korea is also looking into the possibility of continuing the chartered flights even after the Pyongyang Festival ends.

It was learned that the "Korean International Tourist Company" side expects over 3,000 Taiwanese tourists and members of investment inspection parties to visit Pyongyang during the festival period.

#### Nations Compete To Advance Into North Market

SK1801071795 Seoul HANGUK ILBO in Korean 18 Jan 95 p 11

[Article by reporters Yi Paek-man and Yi Chong-chae]

[FBIS Translated Text] The ROK, the United States, Japan, and West European nations are competing with each other to advance into the North Korean market. Economic cooperation between North Korea and these

developed countries are proceeding at a rapid pace as a result of North Korea's active support of its policy of opening up following the death of Kim Il-song and the resolution of the North Korean nuclear issue. The world's top-ranking corporations, who have been eyeing the North Korean market, "the last market of the current century" and "a key economic point in Northeast Asia," have begun working on opening branch offices and conducting market surveys and are presenting proposals to North Korea with a view to securing a bridgehead there.

In particular, the question as to when the United States will lift the trade embargo against North Korea is regarded as simply a matter of time. When the complete trade ban on North Korea, a shackle on the North Korean economy, is lifted, investments in North Korea by Western enterprises will begin in earnest. It is also predicted that North Korea's negotiations with Japan to receive war-related reparations will soon resume. If North Korea secures funds for its development in the form of war reparations, it is predicted that North Korea's economic development will be accelerated. Western enterprises are trying to advance into North Korea as part of making their own preparations for such a situation.

The situation in South-North economic cooperation, however, is different. While the economic benefits that are to be gained from South-North economic cooperation are important, this project is tantamount to "a project related to the national unification," a long-cherished desire of the nation. Since our government lifted restrictions related to the settlement of the North's nuclear issue, a string of large business groups have been visiting North Korea to conduct business negotiations there. Ssangyong, Daewoo, Samsung, and Sinwon Business Groups have already dispatched fact-finding teams to the North, where they have already discussed detailed projects, such as the establishment of branch offices, operation of joint-venture plants, and expansion of processing-on-commission trade. Such projects are on the verge of fulfillment. Hanwha Business Group dispatched a fact-finding team to North Korea on 17 January; and Hyundai and Tongyang Business Groups will also dispatch similar teams to the North during February at the latest. Ssangyong and Daewoo Groups will hold follow-up working-level negotiations with the North in Beijing, the PRC, next month; and Samsung Group will also hold similar negotiations in Pyongyang next month. They plan on completing their respective negotiations on economic cooperation with the North.

Officials of LG [Lucky-Goldstar], Sunkyong, Kolon, Kohap, and Miwon Groups who are to visit North Korea during the first half of this year at the latest, will earnestly push for South-North economic cooperation projects. There is even a saying, that "A business group that has not yet dispatched its officials to the North can be called a group of fools." Underway at the moment are major projects, including the development of the Nampo

Industrial Estate and the Najin-Sonbong Special Economic Zone; construction of major facilities related to social overhead capital (SOC), such as railways; construction of joint-venture plants such as plants producing electronic products, textile, cement, and confectionery; and establishment of liaison offices. It is predicted that the civilian enterprises' economic cooperation with the North—such as the establishment of open accounts and the opening of direct air routes—will be further accelerated.

Worth noting are the unusual steps that are being taken by the United States, a suzerain state of capitalism. High-ranking executives of U.S. corporations are visiting North Korea one after another. Coca Cola Corporation, a symbol of U.S. capitalism, has invited North Korean Ambassador to the United Nations Pak Kil-yon to the corporation's head office to discuss ways to advance into North Korea. It is believed that when the trade embargo against North Korea is lifted, Coca Cola will be the first to advance into North Korea. Such representative U.S. corporations as McDonald's Hamburgers, Motorola, AT&T, and Citibank are also sounding out the possibilities for advancing into North Korea.

Japanese enterprises are more active than any of the others. It has been learned that the fact-finding teams from major Japanese enterprises, including Mitsubishi and Marubeni, already visited North Korea last year. The Japanese teams have reportedly visited Pyongyang and Kaesong, as well as the Najin-Sonbong area and finished their investigations into the feasibility of investments. In particular, it is expected that the Japanese enterprises will gain an advantage over those of other countries because the Japanese Government has already worked out a development plan for Najin Port which Japan once regarded as a logistics base for its advance into China when it occupied the Korean peninsula. North Korean officials are racking their brains for ways to attract foreign investment to Najin Port. It seems that negotiations about war reparations will play a pivotal role in Japan's advance into North Korea.

The efforts of European corporations can not be overlooked. The International Bank of the Netherlands (ING) has become the first Western bank to decide to advance into North Korea. ING is planning to conclude a contract with North Korea on establishing a joint-venture bank there on 25 January. Last year, representatives of German corporations also visited North Korea to discuss business projects. France, which is relatively pro-North, is attempting to advance into North Korea's telecommunications field.

**NUB Minister, U.S. Envoy Discuss Nuclear Issue**  
SK1801064195 Seoul YONHAP in English 0603 GMT  
18 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—South Korea and the United States have agreed to strengthen bilateral cooperation in their bid to push for

smooth implementation of the North Korean-U.S. nuclear agreement and realize practical inter-Korean dialogue, officials said Wednesday.

Kim Tok, deputy premier and minister of the National Unification Board (NUB), met with U.S. Ambassador James Laney here Wednesday morning and discussed implementation of the Geneva agreement between Pyongyang and Washington, including the supply of light-water reactors for North Korea.

NUB Spokesman Kim Kyong-ung quoted his boss as proposing that the two nations prevent any possibility of another war on the Korean peninsula in order to maintain the peace and lead North Korea down the path to responsible membership in the international community.

Laney expressed his sympathy toward Kim's opinion.

Regarding the provision of light-water reactors to North Korea, Kim said some are worried about the differences between South Korea and the United States over whether to specify the term "South Korean-style nuclear reactor model" in the draft agreement on forming the Korea Energy Development Organization (KEDO), the international consortium tasked with supplying reactors to the North.

Laney said the United States understands such concern, emphasizing that no cracks must be allowed in the two allies' mutual cooperation system.

He added that Washington is carefully watching Pyongyang to ensure it does not continue to avoid inter-Korean dialogue or intervene in the South Korean-U.S. cooperation system.

Laney was further quoted as saying that the U.S. Government will take economic and other steps toward North Korea, suggesting that Washington may lift economic sanctions against Pyongyang soon.

#### North Acting 'To Lure' U.S. Businesses, Press

SK1801104795 Seoul CHOSON ILBO in Korean 18 Jan 95 p 2

[By reporter Chong Hae-yong from Washington]

[FBIS Translated Text] North Korea has allowed the United States to bring in its products and U.S. trade ships to enter North Korean ports beginning in mid-January. It was learned that since then, North Korea has been actively carrying out work to lure U.S. businesses and press organs.

According to North Korean sources in Washington on 18 January, it was learned that through the North Korean UN mission in New York, North Korea held contacts with Coca-Cola, AT&T, Mackenzie, and CNN. It has been reported that these companies are seeking ways to advance into North Korea and North Korea is asking these companies to open branch offices in Pyongyang.

UN Ambassador Pak Kil-yon visited Atlanta on 12 January and discussed with CNN on dispatching correspondents and establishing a bureau in Pyongyang. It was also confirmed that he visited the Coca-Cola headquarters and discussed in detail the issue of establishing a branch office in Pyongyang.

It was learned that aside from CNN, Ambassador Pak is also making contacts with major U.S. broadcasting companies and influential papers that want to open their bureaus in Pyongyang. In particular, North Korea is exerting great efforts to lure Coca-Cola, a symbol of the United States. Currently, Coca-Cola is present all over the world except in four to five countries, including North Korea. Sources conveyed that Coca-Cola has shown interest in the possibility of advancing into North Korea. Coca-Cola has already sent an on-the-spot survey team to North Korea on two occasions to carry out a detailed feasibility study.

It was learned that the Mackenzie Company, a worldwide management consulting company, has already put the finishing touches on a concrete plan and is ready to open its branch office in North Korea. It was also learned that a certain conglomerate that will be in charge of thermal power stations with the AT&T Company is rushing to advance into North Korea.

#### More on Coca Cola Discussing Marketing in North

SK1401100495 Seoul YONHAP in English 0923 GMT 14 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 14 (YONHAP)—Coca Cola may soon be available for ordinary people even in the reclusive North Korea.

Industrial sources said Saturday [14 January] that North Korean Ambassador to the United Nations Pak Kil-yon visited Coca Cola headquarters in Atlanta, the United States Thursday to discuss Coca Cola operations in the North.

The meeting which took place at the request of Coca Cola is believed to have discussed the timing for establishment of Coca Cola operations in North Korea, size of investment and form of operation to be taken.

Pak's visit to Coca Cola headquarters came amid the thawing of Pyongyang-Washington relations, with several leading American enterprises getting ready for business links with the North.

The meeting between Coca Cola and Ambassador Pak accordingly should have touched on something substantial, the sources speculated.

Coca Cola has reportedly contacted the North's Koryo People's Industrial Development Council, an agency for external economic cooperation since last year.

Together with hamburgers and blue jeans, Coca Cola is a symbol of the United States. When the soft drink is

marketed in the North, therefore, it might cause no small changes in the communist country.

### **U.S. Regarded 1962 Money Reform as 'Socialistic'**

*SK1601021195 Seoul YONHAP in English 0147 GMT  
16 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—The U.S. Government, at the time of the South Korean military regime under then-Gen. Pak Chong-hui, regarded the monetary reform conducted on June 10, 1962, as "socialistic" and felt aggrieved that Seoul had taken such currency steps without prior consultation with Washington.

According to secret documents whose confidential classification was lifted by the Foreign Ministry on Sunday, then-director of the Korean Central Intelligence Agency (CIA) Kim Chong-pil sent a letter to the Foreign Ministry dated July 2, 1962, asking that public information activities be intensified through diplomatic missions abroad to explain the monetary reform, which was seen by other countries as "socialistic reform by state power."

Director Kim's official letter, sent to the foreign minister under the title "Information data on stock market undulation and monetary reform," gave a detailed description of the reform's necessity and results.

Meanwhile, the South Korean Embassy in Washington sent a report to the ministry revealing that officials at the U.S. Agency for International Development (AID) were upset that Seoul had taken such "important measures" without prior consultation.

The American Government was also displeased with the failure of then-U.S. Ambassador to Seoul Samuel Berger's repeated efforts to meet Pak Chong-hui, chairman of the Supreme Council for National Reconstruction.

The secret papers also showed the U.S. Government expressing concern that the Korean Government's monetary reform would discourage American private sector investment in South Korea and also badly affect AID's assistance to Korea the following year, 1963.

On the other hand, the British and West German Governments gave affirmative evaluations of Korea's monetary reform.

### **Inspections Lacking on Food for U.S. Forces**

*SK1801033695 Seoul THE KOREA TIMES in English  
18 Jan 95 p 8*

[FBIS Transcribed Text] The lack of quarantine inspections on agricultural products that the U.S. Forces in Korea (USFK) bring in from the United States and other countries as food for soldiers may be introducing harmful insects to the country.

According to the Ministry of Agriculture, Forestry and Fisheries yesterday, U.S. Forces in Korea have been introducing most agricultural products from abroad without appropriate quarantine inspections.

The Korean government has repeatedly called for the revision of SOFA or the Status of Forces Agreement so that these agricultural products are subjected to quarantine inspections but the USFK rejected the proposal.

In 1984, the ministry urged the U.S. administration to have agricultural goods that U.S. Forces consume in Korea undergo quarantine inspections through the Foreign Ministry but the U.S. side declined to consult the government on the issue without even coming up with a clear answer why it would not.

Since then, the Korean government has requested in vain the exchange of a memorandum of understanding so that quarantine clauses for farm products can be included in the SOFA.

Among the products that the USFK introduce, there are some whose imports are barred under relevant Korean laws, a ministry official said, adding that there may arise such cases in which it is difficult to trace routes by which harmful insects have been introduced.

Japan allegedly imposes strict quarantine inspections on agricultural imports destined for consumption by U.S. soldiers. The ministry said the Korean government has never been informed of the process and amounts of agricultural goods that are introduced as foodstuff by U.S. soldiers here.

Farm economists observed the existence of loopholes in Korean quarantine procedures, saying this makes it more difficult to uproot the introduction of harmful insects. "Concern is mounting about the nation's quarantine mechanisms at a time when imports of foreign agricultural products are flooding the domestic market."

A ministry official accused the Foreign Ministry of being lethargic in resolving the case. "We have asked the Foreign Ministry to be more active in this case whenever possible but they have shown little attention to it," the official said.

### **Data 'Fabricated' on Harmful Agent in U.S. Juice**

*SK1401014595 Seoul THE KOREA TIMES in English  
14 Jan 95 p 3*

[FBIS Transcribed Text] Pusan—Nong Sim Co., the nation's leading food producer, is coming under fire for having fabricated documents regarding the levels of bleaching agents contained in lemon concentrate it imported from the United States.

The local company reported to the customs office here for import permits that 50ppm (parts per million) of sulphur dioxide were contained in the lemon concentrate imported from Borden Co. of the United States last

December, but the actual level of the hazardous substance recorded on the boxes of products was 250ppm, the Pusan Quarantine Office here said yesterday.

Screening the clearance documents, the quarantine office gave the import permission for 129,000 kilograms of lemon juice, judging that the reported level of the chemical substance is far lower than the permissible limit of 150ppm.

Based on the finding by the quarantine office of the excessive amount of bleaching agents in the lemon concentrate, the Health-Welfare Ministry earlier ordered the local importer to discard or return 72,000kg of the product kept in the bonded warehouse.

The ministry also ordered the local governments and Nong Sim to collect the remaining 55,000kg of the lemon concentrate and dispose of it.

The intake of excessive amounts of sulphur dioxide can cause gastritis or pulmonary edema.

Tipped off by rival food companies, the quarantine office conducted the tests for the residual sulphur dioxide earlier and found that the product contained 226 to 263ppm (parts per million) of the substance, 1.5 to 1.8 times the permissible limit of 150ppm.

#### Two Firms Win Chinese Contract for Reactors

*SK1801131295 Seoul YONHAP in English 1240 GMT  
18 Jan 95*

[FBIS Transcribed Text] Beijing, Jan. 18 (YONHAP)—Two South Korean firms have won a contract from China for the supply of two nuclear reactors for use in the phase-two project of the Qinshan atomic power plant.

A consortium of Korea Heavy Industries and Construction Co. and Kohap Inc. on Wednesday signed a contract with the China Nuclear Energy Industrial Corp. (CNEIC) for the delivery of two reactors and related facilities at 20 million dollars.

A source at the consortium said it has also been agreed in principle with CNEIC to conclude within the year another contract for the supply of 110 million dollars worth of additional atomic power plant facilities.

He said the Qinshan phase-two contract was obtained by the Korean consortium in a hot competition with French, U.S. and Japanese industries.

This was the first time South Korean firms ever won a nuclear reactor contract abroad.

#### Aid for Japan's Earthquake Victims Considered

*SK1801023195 Seoul YONHAP in English 0030 GMT  
18 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—The South Korean Government is poised to discuss

offering medical personnel and equipment to aid the earthquake-stricken area of western Japan.

A government official said an emergency working-level meeting will be held at the Foreign Ministry Wednesday morning to discuss supplying medicines, sending a medical team and offering equipment for relief work.

He said the government will soon start a fund-raising campaign aimed at providing relief to quake victims, adding that quick action is necessary because many ethnic Koreans reside in the city of Kobe and nearby areas.

Another official said, however, that it would be difficult for the government to dispatch an emergency rescue team as South Korea has no experience with quake relief.

Meanwhile, the government dispatched an official from the South Korean Embassy in Japan and six staffers of "Mindan" (Federation of Korean Residents in Japan) to Kobe city to study the damage and report back to Seoul.

#### President Calls Japan's Murayama

*SK1801120595 Seoul YONHAP in English 1019 GMT  
18 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—President Kim Yong-sam personally called Japanese Prime Minister Tomiichi Murayama Wednesday afternoon to offer heartfelt condolences and regrets over the death of many people and large property damages suffered in the recent earthquake that struck the Kansai area of Japan.

In the 15-minute telephone conversation, President Kim expressed the hope that relief programs will be carried out smoothly so that further loss of human lives would be minimized.

Saying he would see to it that Korea would not spare efforts to help minimize quake damages, Kim reminded Murayama that his foreign minister had told the Tokyo government South Korea is willing to furnish a medical team and modern heavy equipment. Chongwadae [presidential offices] spokesman Yun Yo-chun said.

Premier Murayama thanked the president for the call, saying that he is well aware that South Korea is prepared to send a medical team to the quake-stricken area.

"We ourselves are doing all we can to ensure early rehabilitation of quake damages and we will appreciate it if your country can be of assistance to us in case we need it," Murayama said.

#### Kong Sends Message to Counterpart

*SK1701082395 Seoul YONHAP in English 0801 GMT  
17 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 17 (YONHAP)—Foreign Minister Kong No-myong sent a telegram

Tuesday expressing condolences to his Japanese counterpart Yohei Kono over the damage caused by a powerful earthquake that rocked western Japan early this morning, according to the ministry.

The ministry has set up an emergency task force to deal with the quake's aftermath while trying to determine the exact number of Korean casualties in the absence of any reports, a ministry spokesman said.

### Medical Aid Team Formed To Help

SK1801123495 Seoul YONHAP in English 1025 GMT  
18 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—A South Korean medical assistance team comprising 85 doctors, nurses and volunteer workers will leave for Japan Thursday morning to serve those injured in the recent devastating earthquake in Japan.

The Korean Hospital Association reported Wednesday that 11 major general hospitals in Seoul are taking part in the aid mission.

In service in Japan, the medical mission will be divided into 11 clinical units representing the participating hospitals, each unit consisting of three physicians and two nurses from each hospital plus two social workers from the Korean National Red Cross.

The remaining eight people will be the president and vice presidents of the hospital association and administrative personnel.

All the mission members have good command of Japanese and the mission will carry with it medicines and various first aid kits necessary for emergency surgical operation, the association said.

The participating hospitals include Seoul National University Hospital, Severance Hospital, Korea University Hospital, Kyunghee University Hospital, Hanyang University Hospital, Sunchonhyang College Hospital, St. Mary Hospital, Hallym University Hospital, Seoul Red Cross Hospital and the National Medical Center.

### President Instructs Foreign Ministry

SK1801045095 Seoul YONHAP in English 0309 GMT  
18 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—President Kim Yong-sam instructed the Foreign Ministry Wednesday to prepare measures designed to help Japan cope with the massive damage caused by Tuesday's powerful earthquake, according to Chongwadae.

The president, issuing orders to Foreign Minister Kong No-myong, said: "The country, as a neighbor, will have to push ahead with a project to provide a medical team and up-to-date construction equipment to Japan in consultations with Japan so it can heal the hurt and repair the damage," Chongwadae announced.

In accordance with Kim's instructions, Kong invited Japanese Ambassador to Seoul Yamashita Shintaro to the ministry early in the morning to express Seoul's willingness to provide assistance in the rehabilitation work, a ministry spokesman said.

While receiving the Japanese ambassador, Kong also conveyed condolences from the South Korean people over the deadly quake, the spokesman noted.

Shintaro thanked President Kim and South Koreans for their expression of sympathy to the Japanese people, saying he would convey to his home government Kim's condolences and readiness to provide assistance, according to the spokesman.

The Japanese ambassador added that he understood the death toll had exceeded 1,800 as of this morning, predicting that the toll may reach as high as 3,000.

The National Unification Board (NUB), meanwhile, will preside over an intergovernmental meeting attended by working-level officials of related agencies this afternoon to discuss tackling a variety of issues involving the Japanese quake, according to ministry officials.

In a related development, the Foreign Ministry, which set up Tuesday an emergency task force handling the problems of ethnic Koreans residing in Japan, dispatched an inspection team comprising a member of the South Korean Embassy in Tokyo, five from a Korean residents' organization in Japan, and several from the South Korean consulate-general in Osaka to Kobe, the city hit hardest by the predawn quake Tuesday.

Reports received by early this morning indicate that seven Koreans have been found dead, according to the spokesman. Two are residents of Kobe City, two from Hyogo prefecture, one from Shinomiya City and two others.

Over 250 Korean students studying on port island off Kobe City were completely cut off from the outside and the ministry is trying to determine their safety, the spokesman said.

In the meantime, the pro-Pyongyang association of Korean Residents in Japan, Chochongnyon, said that two of its Korean members residing in Kobe died in the quake and several Chochongnyon buildings including schools and financial institutions in the city have been destroyed, he said.

He added that the ministry was finding it difficult to determine the exact death toll among ethnic Koreans because many use Japanese-style names.

### Effects of Earthquake on ROK

SK1801091195 Seoul YONHAP in English 0714 GMT  
18 Jan 95

[By Kim Myong-chol]

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—The violent earthquake that rocked Kobe city and its vicinity in western Japan Tuesday is expected to have mixed effects on the Korean economy.

The Finance and Economy Ministry formed a task group Wednesday to study the tremor's likely impact and ascertain the damage done to Korean firms operating in the area.

Initial reports from the Korean Embassy in Tokyo said Korean companies had sustained little quake damage as of 10:00 A.M., as most are located in Osaka city.

But since Kobe is a port city handling over 10 percent of Japan's foreign trade volume, its paralysis due to the quake will set back South Korea's exports to and imports from Japan, a ministry official said.

The International Trade and Industry Ministry is also studying the possible effects of the Japanese earthquake on Korean businesses.

Kobe is a hub of Japan's steel, semiconductor and petrochemical sectors and Tuesday's tremor hit most of these industries, forcing them to suspend operations.

Ministry officials said this would help Korean petrochemical and semiconductor firms hike exports, while increasing the country's import prices for steel products.

Four petrochemical plants in the quake-hit area are known to have suspended operations: General Sekiyu's Sakai plant producing 280,000 tons of benzene, toluene and xylene (BTX) a year, Sanyo petrochemical's Mitsubishi plant with an annual production capacity of 290,000 tons of BTX, Osaka petrochemical's BTX plant and Ube Kosan's caprolactam plant.

This will cause a BTX supply shortage on the world market, in turn benefiting Yukong and other BTX producers in South Korea, an official predicted.

Suspended operation of the Japanese BTX plants will result in a glut in the naphtha market and cheaper naphtha prices, as these plants use naphtha as a key material, also helping South Korean petrochemical plants that use the material.

In addition, demand for South Korean semiconductors is expected to increase sharply as the quake also battered the semiconductor industry in the Kobe area.

Communication lines with the four semiconductor firms near Kobe—NEC, KIT, Mitsubishi and IBM—have been cut off since Tuesday morning. Their suspended operation will boost exports of South Korean semiconductor makers who are already enjoying booming business thanks to surging worldwide demand.

Suspended operation of the steelworks in the quake-hit area would push up the prices South Korea pays for steel products, such as billets and slabs. Prices had already risen 20 percent before the quake. The country set an

import goal of steel products at 8 million tons for this year. South Korea imports the products chiefly from Brazil.

Before the earthquake hit, nine South Korean shipping firms had made regular calls and four others irregular calls at Kobe. The port's paralyzed facilities will force these firms to switch to the port of Osaka, which was already congested before the quake.

Considering that Kobe and Osaka had handled most farm exports to Japan, as well as 40 percent each of steel and textile exports and 10 percent of electronics exports, Kobe port's paralysis is expected to set back the country's shipments to Japan.

The quake hit shipyards of such big Japanese ship-builders as Mitsubishi, Hitachi and Sanoyatsu, and this will benefit their South Korean rivals, including Hyundai and Daewoo.

In a related development, the Health and Welfare Ministry decided to send a 50-member medical team for quake relief work if Japan so requests.

#### Japan's Kaifu Interviewed on Korean Issues

SK1501005295 Seoul CHOSON ILBO in Korean 13  
Jan 95 p 6

[Interview with Toshiki Kaifu, president of the New Frontier Party of Japan, by Han Sang-il, professor at ROK's Kukmin University; place and date not given]

[FBIS Translated Excerpt] [passage omitted on discussion of Chechen situation and Japan's economic contribution to the international community]

[Han Sang-il] Though 50 years have passed since World War II, Asia still distrusts Japan. Japanese officials have made ongoing remarks that it was not an aggressive war invoked by Japan. Even the Japanese people stress the need for the Japanese Diet to apologize for the war and make a resolution not to invoke a war again in a bid to rebuild relations with Asia on the 50th anniversary of the war.

[Kaifu] I wholeheartedly conveyed Japan's self-reflection on and its apology for the history during talks with Former President No Tae-u. I think Japan's correct recognition of history and its reflection on the past will serve as the foundation for its future-oriented relations with the ROK. At that time, I frankly stated that I would resolve the issue concerning the third generation of Koreans in Japan, in an effort to disclose problems that cause distrust between the two countries. Although the issue of apologizing for the war should be resolved by the Diet, Japan should continue to make such efforts.

[Han] Regarding the normalization of Japanese-North Korean diplomatic ties, the 1990 joint declaration by the Liberal Democratic Party of Japan, the Social Democratic Party of Japan, and the Workers' Party of North Korea focused on the issue of Japan's compensation for

the 36 years of colonial rule and for the damage following the war on the 45th anniversary of the war. Do you, as one of the people responsible for the joint declaration, think the agreement is still valid? What is your view of the prospects of the normalization of Japanese-North Korean diplomatic ties? In addition, would you please explain the details of the invitation you received from North Korea?

[Kaifu] The normalization of Japanese-North Korean diplomatic ties is one of the pending issues Japan should resolve in connection with the war. I was certainly a responsible person (prime minister) of the Japanese side when the negotiations between the two countries began. However, it is a precondition for the normalization of Japanese-North Korean diplomatic ties that North Korea allows transparent nuclear inspections to relieve the anxiety of neighboring countries.

The Japanese Government's position is that the agreement reached by the three parties was an agreement between parties, not governments. Japan, however, cannot ignore the agreement. Because Japan has to apologize for the past, I think it should adhere to the spirit of the agreement. When it becomes possible for the two countries to hold negotiations in mutual trust following the removal of nuclear suspicions, they will be able to seek an alternate way for Japan to express its reflection of the past, in this spirit.

It is true that I received an invitation to visit North Korea before Kim Il-song died, but I do not think now is a fitting time for me to visit there.

#### Private Overseas Real Estate Investment Banned

SK1701015795 Seoul YONHAP in English 0139 GMT  
17 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 17 (YONHAP)—The government has decided to shelve plans to allow individual (non-corporate) investment in overseas real estate in 1995 under the foreign exchange market deregulation program announced late last year.

Officials said the decision was necessary in view of the enforcement of a real-name property registration system in July.

Many properties registered under non-owners' names, chiefly in development areas along the western coast, were put up for sale after the government's plan to adopt the real-name registration system was announced and the sales proceeds are feared to find their way into overseas real estate markets.

Reflecting the decision, the Finance and Economy Ministry and the Bank of Korea have jointly worked out amendments to phase one of the deregulation program, excluding the deregulation of individual overseas real estate investment.

The amended phase one, announced Tuesday [17 January], will be put into effect toward the end of February, an official said.

Under the revised phase one, individuals may deposit up to 30,000 U.S. dollars in overseas banks per year and use up to 5,000 dollars out of such deposits per payment to purchase goods in foreign countries. This means that individuals can make overseas deposits of foreign exchange for a maximum of six 5,000-dollar purchases of goods overseas a year.

But they cannot use these deposits to pay for overseas travel expenses, such as air fares and hotel charges, and for capital transactions including lending and investment.

On the other hand, institutional investors and corporate bodies can make foreign exchange loans of up to 10 million dollars and 300,000 dollars, respectively, to a foreign corporation or citizen after reporting such loans to the Bank of Korea.

The central bank will refer such reports to the National Tax Administration every month in order to check illegal outflows of foreign exchange from the country through taxation.

#### Government Delays Application for OECD Entry

SK1601064195 Seoul YONHAP in English 0632 GMT  
16 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—South Korea will apply to join the Organization for Economic Cooperation and Development (OECD) in March or thereafter, months later than originally scheduled, so it can further examine the impact of its OECD admission on the domestic and international money markets, a Foreign Ministry official said Monday.

The delay, however, will not affect the ministry's plans to finish all procedures for entry into the international grouping of major economic powers in the first half of the year, said Son Chun-yong, assistant minister for economic affairs.

The ministry will deposit with the OECD in the first six months a memorandum on the country's position on 168 codes which bind OECD members, said Son.

A ministerial-level meeting of 25 OECD members will then examine the application before the body finishes all the necessary procedures for accepting South Korea as an OECD member between March and June next year, the assistant minister said.

The nation will finally become an OECD member when its bid to join the world body obtains parliamentary approval, probably during the latter half of 1996, he said.

The ministry took into consideration Mexico's current economic crisis, caused by the drastic fall of the peso since Mexico joined the OECD last year, in deciding to postpone filing an entry application.

Son said the ministry made the decision after consulting with other ministries concerned and Chongwadae [presidential offices].

Among the issues requiring further study are the opening of the country's financial and investment markets to foreign countries, capital transfers, environmental regulations and economic assistance for developing countries, the assistant minister noted.

The ministry, meanwhile, aims to set up an office solely in charge of support procedures for OECD admission at the South Korean Embassy in Paris by the end of March. The OECD is headquartered in the French capital.

#### Scientist Elected Chief of International Group

SK1601083195 Seoul YONHAP in English 0815 GMT  
16 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—A South Korean scientist on Monday was elected head of an international organization in charge of exploring for undersea mineral resources and oil in the Asia-Pacific region, a Foreign Ministry spokesman said.

Kim Sang-yop, principal researcher at the Korea Institute of Geology, Mining and Materials, won six votes from the 11 member countries of the Coordinating Committee for Coastal and Offshore Geoscience Programs in East and Southeast Asia (CCOP) to become the body's fourth technical director, the spokesman said.

The two other candidates for the CCOP's top post hailed from Malaysia and Indonesia.

Kim, who served as an officer responsible for training and coordination at the CCOP between October 1989 and December 1991, will take office on April 1 for a three-year term, the spokesman said.

The ministry hopes Kim's election will not only increase South Korea's participation in a variety of activities concerning exploration for undersea mining resources and oil but also allow more Koreans to work for international organizations.

The CCOP was launched in 1967 as an umbrella organization of the Economic and Social Commission for Asia and the Pacific (ESCAP) and then reestablished as an independent intergovernmental body among Asia-Pacific countries encompassing 11 members and 14 cooperative nations.

The CCOP is based in Bangkok, Thailand.

#### Foreign Ministry, UN Hold Workshop on Refugees

SK1601070995 Seoul YONHAP in English 0649 GMT  
16 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—The Ministry of Foreign Affairs kicked off a workshop Monday on the possibility of a refugee exodus in Northeast Asia jointly with the United Nations High Commissioner on Refugees (UNHCR).

The five-day workshop at the Institute of Foreign Affairs and National Security (IFANS) will focus on reception, management and settlement of refugees in the event of a mass migration in Northeast Asia, according to ministry officials.

The closed workshop will also examine case studies in handling refugees worldwide, including the role of the UNHCR and international cooperation in an emergency situation, they said.

Among the participants are four experts from the UNHCR and over 50 officials of related ministries and government agencies.

#### Improved Treatment for Foreign Workers Studied

SK1601070295 Seoul YONHAP in English 0646 GMT  
16 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—The Korean Federation of Small Business (KFSB) has decided to study raising the current basic pay of foreign workers brought here as "industrial trainees," KFSB President Pak Sang-kyu said Monday.

Announcing ideas for settling a sit-in staged by foreign workers and for improving the industrial trainee system, Pak said the KFSB is consulting related ministries on details of the proper treatment for foreign workers.

About 20 foreign workers including some Nepalese have been staging a sit-in at Myongdong Cathedral in downtown Seoul, protesting Korean employers' alleged harshness and delay in payment.

The KFSB is in charge of bringing in foreign workers and distributing them to small businesses across the country.

The Federation and the government are discussing unifying foreign workers' basic pay, which varies according to their native country, as well as raising their basic wages that currently range from 200 to 260 U.S. dollars per month.

Considering that foreign workers cannot benefit from workmen's accident compensation insurance, the KFSB is pushing to provide accident insurance for these workers jointly with insurers and the finance and economy ministry.

Pak also announced a letter of explanation to the nation about the sit-in by foreign workers, saying the KFSB plans to solve the problems of employer harshness and payment delays.

Meanwhile, acting Nepalese Ambassador to Japan Purushottam Lal Shrestha attended Pak's press conference and said he is negotiating with the South Korean Government and the KFSB on the demands of the foreign workers holding the sit-in.

#### Seoul Decides To Establish Foreign Worker Court

SK1801043695 Seoul YONHAP in English 0155 GMT  
18 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—The Seoul District Civil Court decided Wednesday to

establish a court in March dealing exclusively with labor issues involving foreign workers in South Korea to protect their human rights.

The court will handle such labor affairs as delays in wage and severance allowance payment as well as damages caused by industrial mishaps and traffic accidents.

The district court's head judge, Kwon Kwang-chung, explained the new court will start operating in March to protect foreign laborers' human rights and quickly handle their legal affairs.

He said labor disputes involving foreign laborers are rising sharply as such workers flock here to toil at industrial sites requiring performance of the so-called "three-D (difficult, dirty and dangerous)" jobs, which are often shunned by their local counterparts.

He noted that setting up the special court is necessary for quick and fair decisions as most do not speak Korean and therefore need translators and must return to their home countries after a certain period of time.

Meanwhile, the court has decided to join international conventions and treaties aimed at promoting cooperation in the judicial field through the good offices of the Foreign Ministry.

In addition, the court plans to push for personnel and information exchanges on legal precedents, documents and working procedures with similar courts in Tokyo and New York.

It also decided to cultivate experts in international legal disputes by dispatching judges to the International Court of Justice and trade arbitration courts at home and abroad.

#### Nepalese Ambassador Meets With Protesters

SK1501105295 Seoul YONHAP in English 1013 GMT  
15 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 15 (YONHAP)—Nepalese Ambassador to Tokyo Purushottam Lal Shrestha said here Sunday [15 January] he would discuss with the South Korean Government about the Nepalese workers' sit-in protest against Korean employers' mistreatment.

Concurrently serving as ambassador to Seoul, he flew into Seoul at noon and met with the 13 Nepalese workers staging the sit-in protest in the precincts of Myong-tong Catholic Cathedral for seven days in a row at 4:00 PM about their demand for return of passports, wage payment in cash and treatment according to the Korean labor law.

Earlier in the day, he visited the Korean Federation of Small Business in Yoido and told federation officials his government would call back the workers home as soon as

his negotiations with the Korean Government are completed. The federation made arrangements for the workers' training and employment in Korea.

#### Nepalese Workers Refuse To Accept New Plan

SK1601122595 Seoul YONHAP in English 1151 GMT  
16 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—Another round of efforts Monday to end the sit-in by a group of Nepalese trainee-workers at the Myongdong Cathedral failed as the Nepalese refused to accept better employment conditions offered by the Korean Federation of Small Business.

Thirteen Nepalese workers, joined by half a dozen other foreign workers and some Korean dissidents, have been staging the protest since Jan. 9 against alleged poor working conditions.

The Federation of Small Business has arranged their coming to Korea and is in charge of their overall working conditions in Korea.

Nepalese Charge d'Affaires Purushottam Lal Shrestha called on the protesting workers at the cathedral Monday afternoon and, explaining about the new conditions offered by the federation, urged them to accept it and return to their jobs.

The new overture featured the return of their passports so far held by their employers, payment of their monthly wages in cash, and the upward readjustment of their training allowance.

But, the Nepalese rejected it, asserting that although they had come to Korea as technical trainees, they were obliged to do simple work without undergoing any training.

"Besides, whereas illegally staying foreign workers receive as much as 500 to 600 dollars a month, we technical trainees are given no more than about 200 dollars a month," one of the Nepalese said.

The protesting workers demanded that they be either given technical training or be paid as much as those given to other foreign workers.

#### Nepalese Workers, Business Federation Sign Accord

SK1801005695 Seoul YONHAP in English 0019 GMT  
18 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—Thirteen Nepalese workers ended a nine-day sit-in at Myongdong Cathedral in downtown Seoul Tuesday night after signing an agreement with the Korean Federation of Small Business (KFSB) on improved labor conditions.

The Nepalese "technical trainees" and KFSB officials, following six hours of negotiations, announced an eight-point accord.

Under the agreement, the Nepalese workers will receive proper medical treatment and compensation should they fall ill or be injured while working.

The Nepalese protesters will be assigned to new firms and receive a basic monthly allowance for a 44-hour workweek and overtime pay for additional work under a standard labor contract, according to the terms of the agreement.

The KFSB, which employed and assigned the nepalese to workplaces, also promised to pay their wages in arrears, have them receive pay directly from their employers at the proper time, and make their former employers return their passports.

A core demand of the protesters—that they be given the rights provided for in the local labor standard law—was not accepted. Nevertheless, the accord is expected to have a considerable effect on other foreign trainees.

In the meantime, "the joint countermeasures committee for the human rights of foreign technical trainees" disclosed plans to hold a public hearing on problems involving foreign technical trainees at 2 PM Friday at the Korean Christian Building.

The countermeasures committee will continue to monitor human rights abuses against foreign workers and strive to improve relevant institutions, a committee spokesman said Tuesday night.

#### Daily Interviews Australian Ambassador to Seoul

SK1401020495 Seoul THE KOREA TIMES in English  
14 Jan 95 p 1

[By staff reporter Son Kae-yong]

[FBIS Transcribed Text] Australian Amb. Mack Williams called on Korean companies to actively join hands with their Australian counterparts to develop its abundant natural resources including coal and natural gas.

"Rather than importing coal to create energy here, Korean companies are advised to invest in Australia to do joint venture work," he said in an interview with THE KOREA TIMES.

Noting several developments in the field of economic cooperation, the ambassador indicated that Australia offers a fertile environment for investment because of its cheap energy costs and vast land which Korea lacks.

Korea's investment in Australia remained relatively low at 246.5 million dollars as of the end of 1993. However, Seoul and Canberra did witness remarkable growth in bilateral trade during the past several years.

In 1993, Australian exports to Korea totalled 3.347 billion dollars while its imports from Korea amounted to 1.185 billion dollars. In the first quarter of last year, Seoul's exports to Canberra increased moderately by 6.8 percent but imports from Canberra jumped 19.3 percent, reflecting Seoul's increasing demand for raw materials and Canberra's status as a major natural resources exporter.

Ambassador Williams said there is a structural reason for the widening trade imbalance in Australia's favor. Australia provides a large quantity of raw materials to Korea which then substantially adds value to those imports before exporting them again.

Seoul and Canberra are currently holding negotiations to sign a science-technology agreement along with an environment accord. The signing of the two agreements were already discussed during President Kim Yong-sam's visit to Canberra last November, and even Williams singled [it] out as the most significant development in bilateral relations last year.

"It will be signed very soon. One of the priorities for us is discussions with your new science-technology minister and with your new environment minister," he said.

Williams said that Kim's visit to Australia provided momentum to improve bilateral commitments, adding that the two countries are now in a stage of "deepening relations."

"Korea has become our third largest exporting country. Korea and Australia have a very large degree of synergy between them both in regional and bilateral relationship," he stressed.

The Australian envoy said that his government wants to have more "agricultural access" to the Korean market, including beef and dairy products. Meanwhile, Seoul has requested Canberra to implement a faster reduction of tariff on South Korean automobiles as its current tariff amounts to 27.5 percent.

The ambassador predicted that there will be a conspicuous increase in exchange between the two countries this year.

"We have a very heavy schedule of programs in both directions. We are committed to several ministerial meetings. On the business side, we will have a great deal of more interesting visits by Australian companies," he said.

Meanwhile, the embassy plans to host a large-scale Australian promotion event in May which will place emphasis on cultural exchanges.

Commenting on inter-Korean affairs, Williams advocated an early resumption of South-North dialogue.

"We Australians cherish the hope that in 1995 real progress will be made on inter-Korean debate. It is clear

that there can be no long-term resolution to conflicts in Korea without dialogue between the North and the South," he said.

With regards to the "globalization" scheme initiated by President Kim, Williams interpreted it as a "slogan" for change."

"We clearly see that in some of our own experiences we had to go through the same painful process of change of accommodate the Uruguay Round and the WTO (World Trade Organization) process."

Williams suggested that globalization starts with the people having confidence in themselves.

"For example, Korea's entry to the OECD (Organization for Economic Cooperation and Development) is something which we very much look forward to. It requires some substantial changes in services, industry and banking as well as reduction of a heavy emphasis on regulation," he said.

But Williams said he has "no particular prescription" for globalization because Korea should do it in its own way.

When asked about ongoing negotiations about the introduction of "working holiday visas," the ambassador refused to go into specifics by indicating it would be decided soon.

### **Kim Chong-pil Hints at Organizing New Party**

*SK1401122195 Seoul YONHAP in English 1157 GMT  
14 Jan 95*

[FBIS Transcribed Text] Sogwipo, Cheju, Jan. 14 (YONHAP)—Ruling Democratic Liberal Party (DLP) Chairman Kim Chong-pil on Saturday [14 January] hinted twice at seceding from the DLP and forming a new political party.

Asked about his possible organization of a new party following his attendance at the DLP Sogwipo-South Cheju District chapter convention, Kim said, "It could be one of the options."

Earlier Saturday, he told his hometown daily TAEJON ILBO: "I'll go my own way. Should there be men of the same mind, I'll rally them."

This is the first time for Kim to hint at inaugurating a new party. He was asked to step down from his DLP chairmanship by President Kim Yong-sam in a secret Chongwadae [presidential offices] meeting Tuesday.

As to his future course of action, he told the paper, "I'll tell the details to the people after returning home from a U.S. tour on Jan. 25."

### **Discusses Fund Raising for Party**

*SK1601011795 Seoul YONHAP in English 0053 GMT  
16 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—Ruling Democratic Liberal Party (DLP) Chairman Kim Chong-pil on Sunday talked about raising funds to create a new political party.

Kim told reporters, "If I ask one million supporters of mine across the country to chip in 10,000 won each to organize a new party, they will respond favorably."

He made the comment on a train taking him back to Seoul from Taejon, where he attended a new year meeting sponsored by local councillors in the Taejon and South Chungchong Province. "I'm going to form a new party because I have something important to do for the last time in my life," he disclosed.

In reference to President Kim Yong-sam, who also heads the DLP, the 69-year-old chairman said, "I've served President Kim with sincerity and devotion, even kneeling. But it has now come to an end."

Regarding his secret Chongwadae [presidential offices] meeting with the chief executive last Tuesday, Kim had this to say: "We had a full discussion for one and a half hours. I made two definitely important statements, which I'll reveal when the time comes. But I won't make remarks that put him into a corner. I've no intention of attacking him in an extreme manner.

"I don't ignore the assertions of those who fought for democracy, but those who never worked the soil should not denounce the past."

As to the timing of his departure from the government party, however, Chairman Kim said that "I'll continuously hold the chairmanship until I'm told to step down."

For the past month Kim has been under strong pressure from reformists in his party to retire from the chairmanship.

Expressing his bitterness about such pressure, the DLP chairman asked, "What mistakes have I made to deserve such a bashing from faceless forces in the past one month that 'he's not worthy of seeing again'? Perseverance refers to putting up with something that one cannot bear any longer, but there is a time when one really cannot stand it anymore."

### **Reportedly Delays New Party Plan**

*SK1701025295 Seoul YONHAP in English 0231 GMT  
17 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 17 (YONHAP)—Ruling Democratic Liberal Party (DLP) Chairman Kim Chong-pil has reportedly backed off his earlier threat to bolt and will decide his political course of action after observing the intra-party reform drive and DLP national convention on Feb. 7.

DLP sources said the chairman has seemingly delayed his earlier plan to leave the party in the judgment that few lawmakers would follow him and amid mounting criticism in and outside the party of his recent words and deeds.

Accordingly, Chairman Kim will stay on for now and probably act sometime after finding out whether there is sufficient momentum to create a new political party and mustering as many sympathizers as possible.

In this connection, Kim has canceled plans to take part in a regular meeting of the DLP's Kangwon Provincial Chapter in Chunchon on Tuesday [17 January].

Chairman Kim came under a storm of criticism earlier when he attacked the party and President Kim Yong-sam in speeches at regular meetings of DLP provincial chapters.

A close aide said "forces" around Kim are demanding he bolt immediately and create a fresh party, but added that more people under him want to take action after monitoring the current intra-party situation.

"Restoring trust between President Kim and Chairman Kim is an important issue," he said, "but it is desirable for Chairman Kim to wait and watch the people and the country."

Meanwhile, a group of DLP lawmakers close to Kim met at his residence in Chongku-tong, Seoul, and decided to put their political futures in the chairman's hands. The participants were Reps. Chong Sok-mo, Ku Cha-chun, Cho Pu-yong, Yi Kung-kyu and former lawmaker Kim Yong-chae.

Of these men, only Kim was said to have demanded an immediate split from the party to create a new one while the others advised discretion.

DLP officials, acting in advance, have already started working out strategies to prevent Kim's followers from leaving the party.

In a related development, the chairman told a DLP high postholders' meeting that he would not speak out until the party's national convention.

#### Eases 'Hard-Line Stance'

*SK1801034095 Seoul THE KOREA HERALD in English 18 Jan 95 p 2*

[FBIS Transcribed Text] Ruling party leader Kim Chong-pil yesterday eased his hard-line stance and showed signs that he may not leave the party.

"I will not talk about (my future course of action) until the national convention (Feb. 7)," said Chairman Kim in a meeting of key party post-holders. It was an apparent departure from his early threat to bolt from the Democratic Liberal Party (DLP) and to create a new political party. Kim's threat was a response to mounting pressure from President Kim Yong-sam and his loyalists for him to resign from the No. 2 post in the DLP.

On Sunday, the chairman unprecedently attacked President Kim and virtually declared an end to a five-year-old alliance with him. The political circles judged that Kim's departure from the DLP and the creation of a new party was imminent.

The press has reported that the 69-year-old chairman will likely announce his future course before embarking on a five-day trip to the United States Saturday.

Political observers see the chairman's sudden change in the attitude as a final conciliatory gesture toward President Kim aimed at reversing his determination to oust him from the chairmanship.

President Kim and his Minju faction have refrained from responding to the chairman's threat to bolt from the party and have taken a wait-and-see attitude toward his movements.

A Chongwadae official refuted a speculation that President Kim was pushing a conciliation with Chairman Kim, saying that there has been no negotiation between the two leaders.

Some DLP officials said the chairman has seemingly delayed his earlier plan to leave the party, judging that few lawmakers would follow him. Reports suggested that Kim's followers have been split over whether to stay in or leave the party. On Monday, Kim met his faction lawmakers to discuss his future course of action, but reportedly failed to come to a conclusion. Some of the faction called for early inauguration of a new party, while the others wanted Kim to wait for President Kim's change in his attitude.

Accordingly, the DLP officials predicted Chairman Kim will stay for now and probably act sometime after finding out whether there is sufficient momentum to create a new political party and mustering as many sympathizers as possible.

#### 'Forced His Way' Into Party Event

*SK1801090695 Seoul YONHAP in English 0613 GMT 18 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—The ruling Democratic Liberal Party (DLP) experienced further internal discord over a reshaping of its leadership when Chairman Kim Chong-pil forced his way into a local chapter meeting Wednesday afternoon.

Even though key DLP members have implored Kim not to attend official party gatherings, the chairman left his home in Chongku-tong, Seoul, earlier in the morning and arrived in Taegu to take part in a revamping meeting of Taegu City's East-B District chapter headed by No Chae-hon, the eldest son of former President No Tae-u.

Meanwhile, four top party post holders held an emergency meeting at Seoul's 63 building and agreed that Chairman Kim should not represent the party officially after he criticized President Kim Yong-sam and suggested he would depart to create a new party.

The four members—Secretary-general Mun Chong-su, floor leader Yi Han-tong, chief policymaker Yi Se-ki and

First State Minister for Political Affairs Kim Yun-hwan—reportedly agreed that DLP postholders would not attend various meetings chaired by Kim.

They also discussed restricting Kim's conduct of his duties, holding him accountable for his anti-DLP remarks allegedly made at a revamping meeting of Taejon City's Yusong chapter.

Chairman Kim's aides said he was attending the Taegu City meeting at the request of Taegu chapter Chairman Chong Ho-yong and East-B District head No Chae-hon.

However, Secretary-general Mun told reporters that "After checking with the Taegu City chapter, Chairman Kim's side was determined to have phoned first."

Meanwhile, the DLP Secretariat office dispatched a fact-finding team to Taejon city to look into whether the local chapter mobilized party representatives to urge Kim Chong-pil to speak against the party and President Kim.

**Kim Tae-chung Rejects Yi's Proposal for Meeting**  
*SK1501073095 Seoul YONHAP in English 0712 GMT  
15 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 15 (YONHAP)—Asia-Pacific Peace Foundation Chairman Kim Tae-chung expressed hope Sunday [15 January] that the opposition Democratic Party (DP) would settle its crisis over the timing of the coming national convention through dialogue between the factions, adding he is not in a position to meddle in the matter.

Arriving on Sunday morning from a five-day vacation on Guam, the former opposition leader turned down DP Chairman Yi Ki-taek's request for a meeting, saying he would meet him after the party has solved the crisis.

Kim made the remarks through his Secretary Chong Tong-chae, stressing there is no change in his decision not to interfere in DP affairs.

Kim's remarks are expected to aggravate the opposition party's factional strife triggered by Chairman Yi's remarks on Cheju Island last week demanding Kim's complete retirement from politics.

Meanwhile, Supreme Councilor Han Kwang-ok of the Kim Tae-chung faction and Supreme Councilor Kim Chong-kil of the Yi Ki-taek faction met Saturday evening to discuss narrowing the differences regarding when and how the national convention should be held but failed to agree on anything.

Yi onesidedly canceled the Supreme Council meeting slated for Monday and reportedly discussed with his close associates about when he should resign as party chairman and what action he should take after the resignation at a hotel Saturday evening.

On the other hand, the Kim Tae-chung faction demands that Chairman Yi convene meetings of the Supreme

Council and the Executive Council in the coming week to decide on the national convention issue by vote.

**Opposition Leader 'Prepares' To Leave Party**

*SK1601052195 Seoul YONHAP in English 0507 GMT  
16 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—The opposition Democratic Party (DP) is facing its worst crisis ever as Chairman Yi Ki-taek prepares to bolt the party and create his own political group.

Signs of Yi's departure have grown more evident since the return of Kim Tae-chung, chairman of the Peace Foundation for the Asia-Pacific region, from Guam Sunday.

Kim coolly turned down Yi's offer to sit down and negotiate the biggest issue splitting the DP—holding an early national convention to elect a new party leadership.

Reacting to Yi's threat to resign from the DP chairmanship and leave the party, Kim now maintains that he will no longer try to dissuade Yi.

DP sources say Yi is expected to step down early next week at the latest unless his demand for a DP convention in February is met.

Although Yi himself still refuses to disclose his course of action after resigning, his close aides consider his departure a certainty.

Drawing attention, therefore, is the matter of how many lawmakers would follow Yi's political path and share his fate.

Of the total 98 DP lawmakers, 17 are classified as belonging to the Yi faction. Most observers believe, however, that few would be willing to follow Yi as they do not want to run the risk of joining his uncertain new political camp.

Should Yi create a new party of his own, he would probably try to link up with the minor New People's Party, independent lawmakers and other forces who played political roles under previous governments.

Yi's aides observe that once he formed his own party, he would muster as many forces as possible to seek a new role as a fresh opposition party representing Kyongsang Province.

The aides predict that a great many ruling party candidates running in the local elections will defect to the new party under Yi.

Meanwhile, informed DP sources say that Kim Tae-chung has already worked out preparations in case Yi bolts to fill the resulting leadership vacuum.

After Yi's departure, the sources said Kim would attempt to discard the party's "regional" image of representing Cholla Province only.

As a part of such efforts, Kim is expected to admit Rep. Yi Chong-chan, leader of the New Korea Party (NKP) who has reportedly voiced his wishes to enter the DP.

But the possibility remains that Kim will be affiliated with the old guard hailing from "TK"—Taegu city and North Kyongsang Province—where the locals have showed their displeasure with President Kim Yong-sam.

### DP Faces Confusion Over Yi Ki-taek Departure

SK1601075395 Seoul YONHAP in English 0737 GMT  
16 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—The internal feud racking the opposition Democratic Party (DP) is creating extreme confusion as Chairman Yi Ki-taek gets ready to announce his exit.

His press secretary said Monday that Yi is determined to bolt the DP to create his own party without seeking further negotiations on when to hold the national convention.

The secretary, Kim Chang-sik, said Yi is scheduled to announce his resignation as early as Wednesday and will then prepare to establish a new party.

However, party spokesman Pak Chi-won denied the secretary's remarks, saying Chairman Yi is only considering bolting and forming a new party among a variety of other options.

Pak said he had spoken by phone with Yi and learned that there is still more room for intra-party negotiation.

Former Supreme Councillor Kim Chong-kil, who acted as a dialogue channel representing Yi, said the chairman's withdrawal from the party is not a certainty.

Nevertheless, his secretary Kim was adamant about Yi's coming resignation and ensuing formation of a new party, adding that Yi will make a declaration to the nation around this Wednesday.

Kim went on to say that the new party will be up and running before the nationwide local elections slated for June.

### Local Press Criticizes New Foreign Policy Team

SK1401012995 Seoul THE KOREA HERALD in English 14 Jan 95 p 2

[Report by Kim Kyong-ho]

[FBIS Transcribed Text] The new foreign policy and unification team has faced criticism, which they may feel is too hasty, for having failed to show strong will or clear vision for a breakthrough in the stalled inter-Korean relations.

Since their appointment last December, the new team members have given the impression of having more

concern in dispersing public fears of possible discord among themselves, than in squeezing out new initiatives or strategies.

In a sweeping reshuffle of the cabinet and his in-house staff last month, President Kim Yong-sam replaced all the members of his foreign and national security policy team, who had been blamed for their failure to maintain harmony and consistency in dealing with the North Korean nuclear dispute.

Kim especially kicked out Foreign Minister Han Sung-chu and Chong Chong-uk, his top adviser on foreign and national security affairs, both of them picked from academic circles, filling their posts with career diplomats.

The new policy team led by Kim Tok, who was moved to the deputy premier and unification minister from the director of the Agency for National Security Planning, was characterized by the public as more conservative and practical in their stance toward the North than their previous team.

Observers also showed an interest in specifying different policies they would put forward and how they could avoid their predecessors' failure to maintain harmony.

After watching the new foreign and security affairs team hold their first meeting and give a New Year's policy briefing to President Kim Yong-sam early this month, local press started expressing dissatisfaction with its initial performance.

When the top officials met last Monday for their first policy discussions, reporters were anxious to wait for the announcement of the results of the meeting.

But they found little to draw their attention in the announcement made by Deputy Premier Kim.

The joint briefing by the ministries related with foreign, security and unification affairs to the president the following day led some influential vernacular papers in Seoul to come out and criticize the new policy team for the lack of ideas and active attitude.

The CHOSON ILBO, the largest-circulation paper here, said in its editorial that there is no tangible movement seen on the government's foreign and unification policies three weeks after the inauguration of the new team.

"What the problem now is not whether the new policy team is different from the previous one in their characteristics, but that we don't even know whether they are working now or not," the editorial said.

It urged the top policy-makers to hurry to work out new strategies in preparation for the changes in the security environment surrounding the Korean peninsula following the conclusion of the nuclear agreement between Washington and Pyongyang.

The daily criticized that they have taken an easy and anachronistic attitude by leaving the issue of coping with the North in the hands of Washington.

Another daily newspaper, HANGYORE SINMUN, also hit the new top foreign and unification policy-makers for sticking to keeping the status quo.

An article in the progressive paper said that the New Year's briefing caused concern that the team perhaps lacks the will or aggressive attitude to get through the wave of the sharply changing international order in Northeast Asia.

Members of the new policy team have emphasized the efforts of bringing about substantial progress in inter-Korean relations, which has now become almost a catch phrase for their policy toward the North.

But they seem to have so far failed to make the public convinced that they have or will work out concrete means to attain that goal.

Deputy Premier Kim has said on several occasions that the uncertain situation in North Korea has kept his policy team from taking initiatives on the North.

He emphasizes the need to take time in approaching inter-Korean issues.

At a recent meeting with reporters, Yu Chong-ha, new senior presidential secretary for foreign affairs and national security, expressed unease over the critical press reports, saying that no school takes an exam at the start of the semester.

#### Poll: People View Globalization as Competition

SK1401014795 Seoul THE KOREA TIMES in English  
14 Jan 95 p 3

[FBIS Transcribed Text] The first things to come to mind, when students and teachers hear the word "globalization," are "competition" and "coexistence," a survey showed. Competition was cited by 25.5 percent of them, and coexistence by 24.9 percent.

Next to those concepts, they cited "peace," "inter-dependency," "mutual-understanding," and "cooperation," in a survey conducted among 1,829 students and 879 teachers, vice-principals and principals across the nation by the Korean Education Development Institute [KEDI].

Given that the above concepts, except for competition, are similar to "coexistence," the majority of students and teachers are viewed as associating globalization with a global community value rather than competition, Kim Yong-hwa, social studies researcher at KEDI, pointed out.

As obstacles to globalization in the nation, the language barrier, absence of the national identity, and lack of

knowledge or information about foreign countries were listed by 22.7 percent, 20.4 percent and 19.1 percent, respectively.

Among teachers, lack of knowledge about foreign countries was cited as the greatest obstacle by 35 percent of them, and the language barrier by 23.2 percent.

In preparation for globalization, 46.5 percent of teachers stressed that improvement of national competitiveness is the first task of education.

To improve competitiveness, 24.3 percent of them put priority on elementary school education, and 23.2 percent on college education.

Among school subjects, 54.7 percent of teachers cited foreign language as the most important one for globalization, also saying that more hours should be allotted to foreign language classes, and teaching methods be oriented to colloquialism.

They also said that social studies, history and geography should be given greater emphasis to brace for globalization.

A majority of 75.9 percent of them viewed that the subjects they teach are related to globalization.

For globalization of society, 42 percent of them suggested a reform of the people's consciousness, and 27.4 percent expansion of international exchanges.

For globalization in education, improvement of the educational environment was cited as the most urgent task by 42 percent, followed by reforms of college admission system and curriculum.

On the other hand, 45.6 percent of the students said they would like to approach foreigners upon seeing them on the streets, while 15.5 percent said that they would avoid them for fear of being spoken to.

#### Public Servants' Corruption Cases Reported

SK1801092795 Seoul YONHAP in English 0832 GMT  
18 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 18 (YONHAP)—Of the 863 public servants unmasked by the government's campaign to drive out corruption last year, 556 were put behind bars.

The prosecution issued a report Wednesday at a meeting on establishing national discipline, presided over by Senior Presidential Secretary for Petition and Information Kim Yong-su, disclosing that those at grade five or lower accounted for 96 percent of the arrested officials while bribery topped the list of offenses with 49 percent.

By position, tax-related officials marked the highest rate with 37 percent, the report said.

A total of 1,240 public officials were removed from office in connection with various kinds of irregularities and corruption, according to the prosecution.

Apart from that, the Board of Audit and Inspection (BAI) laid bare 561 cases of shoddy construction and eventually brought charges against, or revoked the licenses of, 139 companies, with 165 civil servants reprimanded.

The number of organized gangsters busted by police amounted to 9,845 in 1994.

The Korean Customs Administration also counted 2,524 instances of smuggling worth 136.8 billion won and discovered 20 rifles and 5,000 bullets being brought into the country illegally.

In addition, the fair trade commission unearthed 179 cases related to unfair construction subcontracting and 122 violations by the country's top 30 business groups, including inside trading.

#### **BOK Decides To Loosen Control of Money Supply**

*SK1801033495 Seoul THE KOREA HERALD in English 18 Jan 95 p 8*

[FBIS Transcribed Text] In a policy turnaround, the Bank of Korea (BOK) yesterday said that it will loosen its tight control on money supply to keep interest rates from rising.

The central bank will not siphon off liquidity drastically enough to make a dent in the domestic financial market after Lunar New Year's Day, a central bank official said yesterday.

"Even after Lunar New Year's Day, the central bank will not excessively absorb funds released before the holidays," said Kim Won-tae, head of the BOK's monetary policy department. "That's because excessive absorption of funds will drive up interest rates and make the financial market as a whole unstable."

It has been customary for the central bank to supply huge amounts of money before the New Year's holidays and then to absorb the bulk of the released funds in its bid to keep the money supply growth low.

The central bank plans to supply about 2 trillion won (about \$2.53 billion) during the 10 days before the Lunar New Year's Day which falls Jan. 31 this year.

It will keep the growth rate of money supply at around 19 percent for January and at 18 percent for the first quarter, Kim said. When the money supply is maintained at 18 percent, a total of 2.9 trillion won will be supplied during the quarter.

The money supply growth rate for the quarter, however, is well above the central bank's yearly target band of 12 percent to 16 percent.

Kim's remarks are widely seen as a shift in the central bank policy from curbing inflation by maintaining the money supply low to keeping interest rates stable.

Rumors that the central bank will absorb liquidity sharply after the holidays have recently jolted the domestic financial market.

Both money-market and long-term interest rates jumped, stock prices plummeted and the Korean won weakened against the dollar.

To drive down interest rates, the BOK allowed commercial banks to cash in maturing bonds of 1 trillion won issued by the central bank under a repurchase agreement, last Friday and this Monday.

The central bank action, however, was not enough to stop interest rates from rising. The yield of a bank-guaranteed three-year corporate bond, one of the benchmarks for long-term interest rates, edged 0.05 percentage to 15.05 percent yesterday from the previous day.

The call rate, which financial institutions charge one another on overnight loans, rose 3 percentage points to 22 percent.

Analysts, meanwhile, criticized the central bank for backing down from its pledge to conduct a tight monetary policy this year to curb inflation, saying that an increase in money supply is sure to drive up consumer prices.

But the central bank seems determined to bring down interest rates even at the expense of price increases. "The central bank will not withdraw liquidity excessively even when prices rise," Kim said.

#### **Stock Prices Collapse 'Second Day in a Row'**

*SK1401040595 Seoul YONHAP in English 0303 GMT 14 Jan 95*

[FBIS Transcribed Text] Seoul, Jan. 14 (YONHAP)—Prices on the Korea Stock Exchange are collapsing for the second day in a row due to uncertainty over the market's direction.

The Korea composite stock price index opened down 9.81 points from Friday and kept diving to 959.96, off a whopping 30.27 points.

The index fell 24.18 points in the previous session.

The sharp drop was caused by the government's recall of a communications fund amounting to 500 billion won (about 631 million U.S. dollars) deposited with financial organizations, such as investment-trust companies, and by reports that it plans to greatly increase the supply of such direct financing as shares and bonds to 3.1 trillion won this year, market sources said.

Most blue chips including Hyundai Motor Co. hit their lower limits, numbering 267 items as of 10:40 AM.

Due to poor prospects for supply and demand, the trend of dumping stocks has continued for two days running, they said.

Despite the slump in stock prices, however, trading remains brisk and the instability is expected to ease somewhat as the Bank of Korea has released 600 billion won.

### Stock Market Activity Reviewed, Analyzed

SK1401062595 Seoul YONHAP in English 0543 GMT  
14 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 14 (YONHAP)—Share prices plunged at the South Korean Stock Exchange this week, influenced by a market fund pinch and widespread fears of an oversupply of stocks this year.

The leading composite stock price index crashed 19.24 points in the week from 988.80 on Saturday last week to 969.56.

Almost all major issues with the sole exception of insurance lost ground during the week. In particular, machinery slid 13.40 percent, medicine 8.43 percent and construction 7.89 percent.

Volume in the week averaged 39.63 million shares per day, a gain of 21 percent over the previous week. Turnover amounted to 796 billion won a day on average, up 1.8 percent over last week.

During the week, institutional investors sold 1,112.7 billion won worth of shares while buying 1,058 billion won.

Players' deposits gained 57.7 billion won in the week ending Thursday from 2,896.1 billion won the week before to 2,953.8 billion won.

Factors contributing to bourse business this week included the enforcement of the real-name system for property transactions, a significant increase in players' deposits and reported government plans to ease stock market controls.

Among the minus factors were a difficult market fund situation, fears of a worsening balance between demand and supply of shares, and a scheme to specially manage those suspected of having dealt illegally in shares.

### Share Prices Rebound After Bank Releases Funds

SK1401062395 Seoul YONHAP in English 0531 GMT  
14 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 14 (YONHAP)—Share prices plummeted across the board in the early part of the morning session at the Korean Stock Exchange Saturday, but rebounded later with the release of emergency funds by the Bank of Korea.

The composite stock price index dipped 7.03 points from Friday to close at 969.56.

Declining issues overwhelmed advancers 553 to 172, with 107 others remaining unchanged.

Volume was 27.537 million shares and turnover totaled 561.62 billion won (709.12 million U.S. dollars).

Led by losses in medicines, metals and garments, most shares except for beverages and timber declined.

### Effects of Strikes on Car Industry Analyzed

SK1401014495 Seoul THE KOREA TIMES in English  
14 Jan 95 p 16

[FBIS Transcribed Text] Protracted labor strikes prevented Korea from becoming the fifth largest auto producer in the world last year, government and private association officials said yesterday.

Korea produced 2,313,000 units, 4,000 units less than Canada, the fifth largest producer, according to estimates by the Korea Automobile Manufacturers Association and interim international statistics made available by the Ministry of Trade, Industry and Energy.

Ministry officials attributed the lag to prolonged labor strikes at Kia Motors over better working conditions. Some other finished car and component makers staged a joint sit-down rally several days later protesting the administration's allowing the Samsung Group to venture into their field.

"Our car output had been widely expected to surpass Canada's by 30,000-50,000 last year but it remained less than the latter's again," said a ministry official.

### Science, Technology Ministry Unveils 1995 Programs

SK1401012795 Seoul THE KOREA HERALD in English 14 Jan 95 p 3

[FBIS Transcribed Text] South Korea will complete the development of an electric car that can reach a speed of 120 km an hour this year.

Korea's self-built twin-motor light planes will be ready for test flight by year-end.

Unveiling its policy programs for 1995 yesterday, the Ministry of Science and Technology (MOST) said that it would intensively foster bioengineering and aerospace technology.

About 66 billion won will be set aside for the "Biotech 2000" project, a MOST spokesman said.

The government plans to develop a low-orbit multipurpose satellite weighing 685 kg at a cost of 199 billion won by 1998.

As part of the G-7 project aimed at making Korea one of the world's seven technological superpowers by 2000, the government is to pump in about 397.2 billion won this year.

Chinese-type turbine blades and nine other new materials and products will be domestically manufactured under the G-7 project.

In a bid to strengthen overseas competitiveness, MOST will lead domestic research institutes to open doors wider to foreign researchers.

About 20 foreign researchers will be invited to work at state-run research labs as regular staff members.

Under the expanded "brain-pool system," the government is to call in 90 more overseas Korean scientists in 1995.

Overseas joint R&D centers will be additionally set up in Germany, Russia, China, Australia and six other countries.

To cope more actively with the new era of World Trade Organization (WTO) and Green Round (GR), the government will push to join subcommittees under the Organization for Economic Cooperation and Development (OECD).

"Technological diplomacy" with EU countries as well as Japan and the United States will also be bolstered.

The Seoul government will spearhead efforts to create a regular meeting of APEC [Asia-Pacific Economic Cooperation] science ministers.

MOST will exert utmost efforts to locate headquarters of the world's renowned R&D organizations, such as the Asia-Pacific Theoretical Physics Center, in Seoul.

It will strive to create a U.S.-Korean science and technology foundation and host a branch of France's Pasteur Institute in Seoul.

The ministry will continue to extend full support to North Korea's light-water reactor program.

To help more systematically foster technological talents, the ministry plans to develop the Korea Advanced Institute of Science and Technology (KAIST) into a world-class education center.

The Seoul campus of KAIST will be converted into the so-called "Supra-Center of Excellence."

A dozen Nobel Prize winners will be invited to teach and conduct R&D activities at KAIST.

The current overseas Ph. D program will be greatly expanded and about 460 researchers will be dispatched to foreign institutes this year.

The ministry plans to establish a CATV channel on science and technology to help broaden public understanding of the fields.

#### Ministry Reports on Information Network System

SK1801040395 Seoul *THE KOREA HERALD*  
(SUPPLEMENT) in English 18 Jan 95 pp 1, 3

[FBIS Transcribed Text] The Ministry of Government Administration (MOGA) has been pushing ahead with

the second-phase National Administration Total Information Service Network (NATIS) after it opened the first-phase NATIS June 1, 1993.

Under the second-phase NATIS project, MOGA has been developing seven priority systems with a view to building up integrated nationwide GAIS (Government Administration Information System) network by interconnecting each system network: Industrial Properties Information System, Post Office Total Information System, Weather Forecast Information System, People's Welfare System, Customs Clearance EDI System, Catalog System and Fishing Vessel Management System.

The ministry will funnel a total amount of 164.7 billion won into the second-phase NATIS program from January 1992 through December 1998. More specifically, it will develop the Industrial Properties Information System for the Office of Patent until December 1996 with an investment amount of 82.8 billion won. MOGA embarked upon it in January 1992.

The Weather Forecast Information System will be completed by the end of this year which will include the information on climate and meteorological research information, as well as weather forecast. MOGA will channel an investment amount of 23 billion won into the system available for the Office of Meteorology.

By December 1998, the People's Welfare System will be available for the Ministry of Health and Welfare. A total amount of 11.1 billion won will be invested for the system which will comprise information on hospitals, regional health centers, foods, sanitation, medicines, medical insurance, national pension and statistics on health and welfare administration.

The development of Post Office Total Information System will be worth 28.1 billion won with December 1996 due for completion, which will cover domestic and international parcels, registered mail, new postal services, post office management and other daily life information.

Channeling an amount of 16.7 billion won into the Customs Clearance EDI System, MOGA will be able to provide such information as clearance reporting, collection of tariffs, clearance examination, maritime freight management and automatic settlement for the Office of Customs Administration in December 1996.

Concerning the Catalog System, it will be developed until December '96 for the Office of Supply with an investment amount of 1.4 billion won, while the Fishing Vessel Management System worth 1.4 billion won is to be completed by the end of this year to cover such information on registration, examination, control of fishing vessels and fishing license.

When it comes to the additional information network for national policies on World Trade Organization (WTO), MOGA will invest a total amount of 124.6 billion won into four priority systems between May 1994 and

December 1996: Economic and Trade Information System, Agricultural Technology Information System, Environmental Preservation Information System and National Tax Management System. All the systems will be completed by December next year.

The Economic and Trade Information System worth 1.8 billion won will be developed for such ministries concerned as the Ministry of Finance & Economy, the Ministry of International Trade and the Ministry of Foreign Affairs. It will be useful for the effective management of policies on industries and trade.

For the Ministry of Environment, the Environmental Preservation Information System will be provided by December '96 for the main purpose of controlling pollution-causing industries and water pollution. The system development will require the fund worth 5.1 billion won.

The Agricultural Technology Information System valued at 4 billion won will be provided for the Office of Rural Development with main contents concerning information on agricultural technologies, distribution management for agricultural products, automation in processing agricultural produce, and building up a computerized network for agricultural science and technologies.

With a huge amount of 113.7 billion won invested, the National Tax Information System will come on the line for the Office of National Tax Administration until December '96.

Taking advantage of the second-phase NATIS, MOGA has been triggering such strategies as to expand the computerization of regional administration, accelerate office automation, promote the performance of main computer, embark upon the exports of technologies concerned with information industry and enact a law on protection of personal data, as well as improve the regulations on GAIS.

On its way to implement the NATIS project, MOGA has set its sight on achieving such goals as to provide prompt and accurate services to the public through establishment of a nationwide computer communication network, increase rationality and efficiency of policy-making and embody the small but efficient government.

Furthermore, the national project will be conducive to interconnecting the administrative agencies concerned, promoting interministerial sharing of information and technology resources, and fostering domestic information and communication industries.

It has also aimed at supplementing the defects of the six priority systems from the first-phase NATIS such as system security and communication circuit: Resident Information System (RIS), Land and House Information System (LHS), Vehicle Management Information System (VIS), Employment Information System (EIS),

Customs Clearance Information System (CCS) and Economic Statistics Information System (ESS).

Since the opening of the first-phase NATIS in June 1993, a total of 119 institutions or 1,515 departments have been utilizing the information service network and the general public numbered at more than 12,000 are affiliated with it.

The NATIS has an access to 28 kinds of data bases (DBs) including DB on all kinds of enforcement laws, DB on civil services and government policies, which it can be available at home and offices by linking the computer network of the Government Computer Center and the Civil Administration Information Service (CAIS) including Chollian and POS-Serve.

So far it has been used through the connection of nine information service networks concerning administration, education, research, CAIS and INTERNET.

Overall, MOGA will be making all-out effort to do away with regional restrictions and promote the balanced utilization or dissemination of information throughout the country by providing information services for public institutions and people through the expansion of information network including the Economic and Trade Information System.

#### President Issues Instructions to Ministries

SK1601060095 Seoul YONHAP in English 0525 GMT  
16 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 16 (YONHAP)—President Kim Yong-sam instructed the Education Ministry Monday to work out an educational reform plan that is "convincing to all the people."

The chief executive ordered the ministry to quickly formulate, in collaboration with the education reform commission, "an educational reform plan convincing to all the people with a view to realizing education conducive to fostering creativity with stress on humanity."

Noting that educational reform is a priority in his administration's globalization drive, Kim said, "An education befitting the new era should dispense with the hitherto uniformity and teaching methods centered on preparing students for entrance examinations."

The instruction came at a Chongwadae [presidential offices] meeting in which the president was briefed on new year priorities by five ministries related to social and cultural affairs including the Education Ministry. This was the last in a series of such meetings where the president received new year reports from all cabinet ministries.

Cautioning that strict pollution controls shouldn't regulate industrial estate development unnecessarily, Kim said that the evaluation and control of harm to the environment should be carried out in parallel with the

establishment of industrial estate development plans. He ordered administrative procedures for industrial estate development to be completed within six months.

Referring to the volume-rate garbage collection system that went into force earlier this month, Kim instructed the Environment Ministry to map out "a comprehensive and practical recycling formula."

The president also called for reinforced safety inspections of food and medicine, severe punishment for those involved in producing tainted foodstuffs and unwholesome medicine, and reform of medical services.

Stressing the importance of improved welfare facilities for the aged and handicapped, Kim told the Health and Welfare Ministry to study institutional support for their welfare needs.

Turning to culture, the president called for further increases in investment in culture and the arts so that "our high standard culture may spread to the world."

Following the briefing, Kim had lunch at Chongwadae with 136 bureau-director and higher officials from the Ministries of Education, Culture-Sports, Environment, Health-Welfare, and the second State Ministry for Political Affairs.

## Brunei, Malaysia & Singapore

### Malaysia

#### **Mahathir, Croatian Prime Minister Hold Talks** *BK1701092495 Kuala Lumpur Voice of Malaysia in English 0600 GMT 17 Dec 95*

[FBIS Transcribed Text] Datuk Sri Dr. Mahathir Mohamed and Croatian Prime Minister Nikica Valentic have discussed ways to strengthen ties between the two countries. Their discussions in Kuala Lumpur focussed particularly on the proposal to set up a trilateral consortium between Malaysia, Croatia, and Bosnia-Herzegovina.

The proposal was first brought up during Dr. Mahathir's visit Croatia last December and Malaysia has identified a company to take part in the joint venture.

International Trade and Industry Minister Datuk Sri Rafidah Aziz will travel to Zagreb to have further talks with the Croats and the Bosnians.

Foreign Ministry secretary general Tan Sri Ahmad Kamil Jaafar said this when briefing reporters after the hour-long meeting between the two leaders. Dr. Mahathir felt that the trilateral consortium would be able to buy the project in Southeast Asia and China as well as Malaysia. He said both leaders also thought of the possibility of placing a Malaysian in Zagreb and a Croatian in Kuala Lumpur.

On Croatia's decision to order United Nation's forces out of the country by March 31st, Ahmad Kamil said Malaysia's troops were not involved as they were never based in Croatia.

#### **Foreign Minister Urges ASEAN Regional Focus** *BK1401140795 Kuala Lumpur UTUSAN MALAYSIA in Malay 14 Jan 95 p 26*

[Report by Sukhvinder Kaur]

[FBIS Translated Text] Kuala Lumpur, 13 Jan—Malaysia has expressed concern that cooperation among ASEAN countries may be disrupted if the regional grouping members pay more attention to APEC [Asia-Pacific Economic Cooperation]. Foreign Minister Datuk Abdullah Ahmad Badawi said ASEAN countries must give high priority to the grouping's own future agenda.

He stressed that ASEAN must be careful in dealing with the big economic powers within APEC so it will not fall under their influence. He said: "ASEAN countries must give top priority to ASEAN interests in their foreign policy even though APEC has now emerged as an organization which can represent more countries in the Asia-Pacific. At present, people view ASEAN as the

world's second most successful grouping after the European Union. If we allow APEC to take its course, it is feared that the big economic powers will put ASEAN in a difficult situation."

The minister said this at an interview hosted by TV3's Malaysia Today program in Kuala Lumpur today. He said the government will continue its foreign policy based on the struggle to oppose injustice and oppression in the world. Malaysia's stand on global issues which involve war and oppression, such as in Bosnia, is clear. Malaysia's foreign policy will also pay more attention to its trade and economic ties with developing countries.

Commenting on the UN role, Abdullah criticized the world body in its handling of worsening security issues in several countries, especially in Bosnia, Somalia, Afghanistan, and Chechnya. He said the UN failure stems from its reluctance to take decisive and immediate measures to solve the problems. He also said one major problem which has to be addressed is the use of the veto by members of the UN Security council.

#### **Commentary Views Relations With Singapore**

*BK1801110095 Kuala Lumpur Voice of Malaysia in English 0810 GMT 18 Jan 95*

[Station commentary]

[FBIS Transcribed Text] It is quite obvious that the future of Malaysia-Singapore relations can only get better and more promising. Both countries have come a long way since separation, and there is no turning back now. This state of affairs certainly did not happen by accident. It has come about because Malaysia and Singapore have conscientiously and continuously been working at improving ties. The two governments should realize that a commonality of interest rather than the differences can serve as a backdrop for building on future relations. Basically, both government leaders are comfortable and at ease when dealing with each other. This comfortable feeling has also filtered down to public officials and the private sector. Such an approach has enabled both parties to address squarely, frankly, and without sensitivity long-standing bilateral issues and to resolve them amicably.

Bilateral trade and investments has risen to significant levels, and still both sides continue to search for additional opportunities. Malaysia has, in fact, urged Singapore to look beyond Johor to undertake joint venture projects. Defense cooperation also entered a new era yesterday. Both countries have entered into a historic defense pact for their defense industries to work together on projects of mutual benefit. They have also agreed to agree to extend the scope of military exercises to include the army, navy and air force. This is significant for it has institutionalized an effective mechanism to strengthen defense cooperation. There is also very close cooperation between the Malaysian and Singapore police force. This

is characterized by sharing of intelligence information especially on matters prejudicial to both countries.

Despite the existing relations and optimism for improvement, everything cannot be expected to be easy and smooth sailing. There will always be some discordant voices and issues of discontent. Currently, the impasse over the use of the Malayan Railways land at Tanjung Pagar in Singapore is one of them. In times to come, it is hoped both sides will arrive at an amicable solution. At the same time, there may be responsible actions on both sides of the causeway which may go against the general policy directions of both governments. These are just voices in the wilderness, and little attention should be paid to them. It will be foolish to get too uptight about them, and worse still, sensationalize them. There will be challenges and pitfalls ahead. But experience shows that Malaysia and Singapore have got more than what it takes to surmount any problems, let alone [words indistinct]. They should not see each other as rivals having done well to put behind the distrust arising out of separation. Both countries can look forward to the future with confidence and optimism, secure in the belief that their relationship can only produce a win-win situation. There would be no losers, only winners.

### South African Minister Offers Defense Technology

*BK1401122495 Kuala Lumpur Voice of Malaysia in English 0800 GMT 14 Jan 95*

[FBIS Transcribed Text] South Africa is willing to assist Malaysia in the development of its defense industry. Its Defense Minister Joe Modise said that working together as partners in the transfer of technology to Malaysia were among topics discussed with Malaysian officials during his visit to Kuala Lumpur. Malaysia is considered a very close friend and cooperation between the two countries is most welcome. He disclosed this to reporters at the end of a four-day official visit to Malaysia.

He added Malaysia would take advantage of the advanced technology besides Africa having a defense system, especially in the artillery field. South Africa has a developed defense industry and the capability to manufacture ingeniously designed armored vehicles, artillery systems and attack helicopters.

### Philippine Senator's Remarks on Safety Rejected

*BK1701141595 Kuala Lumpur Voice of Malaysia in English 0810 GMT 17 Jan 95*

[Station commentary]

[FBIS Transcribed Text] Remarks by a leading Philippine senator that Malaysia is a high-risk and dangerous destination for Filipino workers is certainly untruthful and inaccurate. Obviously, Malaysia is so angered by such an unfair statement that it lodged a protest with the Philippine Embassy last week.

Senator Ernesto Herrera even went so far as to warn Malaysia as an unsafe destination. While issuing the warning, he classified Malaysia along with Kuwait, Iran, Iraq as a high-risk employment destination. It is clear that the remarks were issued in relation to the rounding up of more than 300 Filipino workers earlier last year.

In the first place, it should be understood that Malaysia did not single out Filipino workers for detention. Rounding up of foreign workers on suspicions they are illegal is an ongoing exercise. It is conducted almost daily by the authorities on all foreign workers, no matter what their nationalities are. The authorities have no choice because there are thousands of illegal workers who gain entry into Malaysia given its long border. Due to rapid economic growth, the country is in dire need of foreign workers. This has over the years led to an exodus of labor from Indonesia, the Philippines, Bangladesh, and to a lesser extent from Thailand, Pakistan, and India. However, the inflow must be orderly and within the law so that workers can be monitored. If the workers are not screened, there is a possibility of unhealthy elements entering the country, including criminals. Therefore, Malaysia does not condone illegal workers; hence it has to conduct searches for illegal workers from time to time to prevent the problem from getting out of hand. This was misunderstood by some who accuse Malaysia of being too high-handed.

Senator Herrera was so bold as to demand an apology from Malaysia. What the Malaysian authorities did was within the law. If he continues to hurl out accusations against Malaysia, it would only serve to put obstacles in the path of improving relations between Malaysia and the Philippines. After a prolonged period of (?frost) relations, ties improved recently—especially after the mutual visits to each others' countries by the respective leaders. If Senator Herrera wants to gain political mileage back home, this is not the way. Many foreign investors still give high marks for Malaysia's investment climate and high productivity of its workers. Grouping Malaysia along with Kuwait, Iran, or Iraq is indeed a very inaccurate classification. One must bear in mind the longterm relations between the two countries and the benefits the people can gain from them. Moreover, both countries are deeply committed to ASEAN. As such, they should not let such issues cloud the overall bilateral and regional objectives.

It comes as a relief to learn that Senator Herrera gains no support from the Philippine Government. Malaysia and the Philippines have painstakingly paved the way for a new era in bilateral ties. That should not let inward-looking politicians to spoil it all for the others with their selfish tactics.

### Singapore

#### U.S. Academic, IHT Fined for Contempt of Court

*BK1701154695 Singapore Radio One in English 1100 GMT 17 Jan 95*

[All dollar figures given in Singapore dollars]

[FBIS Transcribed Text] All five parties charged with contempt of court involving an article in the INTERNATIONAL HERALD TRIBUNE [IHT] were found guilty by the High Court today. They were fined between \$1,500 to \$10,000 and also ordered to pay costs. American academic Christopher Lingle, who wrote the article and who had returned to the United States, was fined \$10,000; Michael Richardson, IHT's editor for Asia, \$5,000; Richard McClean, IHT's publisher and chief executive, \$2,500; IHT Singapore, which distributes the paper here, \$1,500; and Singapore Press Holdings, which prints the Singapore edition, \$1,500. They will have to pay the fines within two weeks.

In his article published on 7 October last year, Dr. Lingle had referred to intolerant regimes in Asia which relied on a compliant judiciary to bankrupt opposition politicians. In an earlier hearing, Attorney General Chan Sek Keong had argued that the statement referred to Singapore.

#### Official Praises Relations With Malaysia

*BK1701125395 Singapore Radio One in English 1100  
GMT 17 Jan 95*

[FBIS Transcribed Text] Deputy Prime Minister Brigadier General Lee Hsien Loong says relations between Singapore and Malaysia are at the highest level. Addressing the Institute of Diplomacy and Foreign Relations in Kuala Lumpur [K.L.], Gen. Lee said both countries have put behind them past events which complicated relations.

Our reporter Siti Johari with the details:

[Begin recording] [Johari] Gen. Lee said we have benefited from working together in an increasingly integrated world. He said the region abounds with opportunities and the more both countries develop confidence and trust each other, the more both sides will gain:

[Lee] [passage indistinct] the potential gains from this cooperation are significant.

[Johari] In his address to senior civil servants, academics, and government officials, Gen. Lee said Singapore and Malaysia have to look outward to the rest of the region even though we engage in trade with one another:

[Lee] Singapore and Malaysia (?must) work together to develop opportunities in the emerging countries of the region. Singapore wants Malaysian companies to join with Singapore consortiums in overseas projects. We should capitalize on the (?comparative) advantages offered by Singaporean companies to plug effectively into the region's growth.

[Johari] After his address, Gen. Lee visited the K.L. city center. He will complete his tour with a visit to Penang beginning tomorrow. Gen. Lee will be meeting the state chief minister, Dr. Koh Tsu Koon, and the governor of Penang, Datuk Sri Hamdan Che Taher.

Siti Johari, ROS [Radio One Singapore] News in Kuala Lumpur. [end recording]

#### Memo Signed on Defense Relations With Malaysia

*BK1701125595 Singapore Radio One in English 1100  
GMT 17 Jan 95*

[FBIS Transcribed Text] Malaysia and Singapore today held their first defense forum to further deepen the level of military relations between the two countries. The meeting was cochaired by defense ministers from both sides. Datuk Sri Najib Tun Razak and Dr. Lee Boon Yang agreed to set up two working committees; one will focus on military activities while the other will look into defense industrial cooperation.

At today's forum, the defense ministers also discussed ways to increase existing bilateral defense activities. Also on the agenda was the possibility of an ASEAN peace-keeping force to be placed under UN auspices, but the ministers said other ASEAN members would need to be consulted first.

Both sides also signed a memorandum of understanding on defense industrial cooperation. In conjunction with this, Singapore Aerospace and the Malaysian Airline System signed an agreement for the repair and overhaul of aircraft components.

The Malaysian defense minister, who is here on a one-day visit, called on Prime Minister Goh Chok Tong this afternoon.

#### Cambodia

##### Report Details Attack on Americans in Siem Reap

*BK1801064595 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 18 Jan 95 pp 1, 2*

[FBIS Translated Text] His Majesty Norodom Sihanouk, king of Cambodia, who plans to travel to Siem Reap Province on 16 January, has postponed the trip until the end of this week because preparations in the province are not yet completed.

According to a high-ranking official, the king probably will go to Siem Reap Province on 20 January and travel to Battambang Province on 22 January to visit his children there.

This official also said that preparations to repair the royal residence will be completed in a few days. In the meantime, there is a lot of work to be done, including construction of the dining hall, guest rooms, and living quarters for the king's Chinese doctors and bodyguards, and so on. The construction cost will be about \$30,000.

Analysts think that during the king's stay in Siem Reap Province security will improve, which will attract more tourists to the Angkor Wat temples.

On 15 January, however, one American woman tourist and a Cambodian guide died and a male American citizen was wounded as they were traveling to Banteay Srei temple, about 20 km from Siem Reap town. They were in a convoy of vehicles ambushed at about 0915 by a group of more than 10 men. A REAKSMEI KAMPUCHEA correspondent reports that the convoy was approaching the Prei monastery in Khna Sanday commune, Banteay Srei District when it was hit with B-40 rockets. The casualties were taken to Phnom Penh by helicopter on the afternoon of 15 January.

The tourist convoy included a Land Cruiser containing two policemen, followed by a Mercedes containing a group of tourists and another tourist vehicle carrying 12 people. The vehicle attacked was the fourth in the convoy. The last car belonged to So Phat, police chief of the Angkor area, and contained a policeman, two Americans, Mr. and Mrs. W.J. Ameshadden [name as published in English], and a Cambodian guide named Vutthi.

THE CAMBODIA DAILY quoted four passengers as saying that the tourist vehicle was attacked first. Bullets pierced the vehicle and grazed the leg of a German tourist. This was followed by more gunfire.

An American traveler said that the tourist vehicle stopped and tried to escape. A bomb then exploded in front of the vehicle containing the two Americans and the Cambodian guide. Shrapnel killed the American woman, Mrs. Hadden [name as published in Cambodian], the Cambodian guide named Vutthi, and wounded another American, Mr. Hadden [name as published in Cambodian].

Siem Reap provincial sources said the vehicle likely was attacked with a B-40 rocket and the passengers were hit by shrapnel. The perpetrators of the attack have not been identified. An American woman riding in the Mini car said that the attackers wore green camouflage uniforms, while police said that they were Khmer Rouge rebels.

The body of Mrs. Hadden is at Calmette Hospital awaiting return to the United States, while her husband was taken to the SOS hospital, the former UNTAC hospital, in Phnom Penh for treatment. The ceremony for the body of the guide was performed in Siem Reap Province.

Khieu Kanharit, state secretary for information, told REAKSMEI KAMPUCHEA that the attack on the foreigners could be a case of armed robbery and not Khmer Rouge action, because the assailants sought the belongings of the tourists but did not take the foreigners hostage. He therefore questioned their identification as Khmer Rouge, in reference to the past Khmer Rouge policy of taking foreign hostages.

The state secretary also said that the prime ministers have ordered the relevant authorities to search for and arrest the perpetrators of this attack and bring them to court. He said this case will not jeopardize the safety of the king during his visit.

### Ranariddh 'Very Pleased' With SRV Visit Outcome

*BK1801065795 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 18 Jan 95*

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, has concluded talks with Vietnam and said the two neighboring countries have decided to settle their differences once and for all. The prince told reporters that he was very pleased with the outcome of the talks. He reassured Hanoi that the Kingdom of Cambodia's new immigration law was not aimed at expelling Vietnamese nationals en masse from the kingdom. Prince Krompreah Norodom Ranariddh told Vietnamese authorities in Hanoi that the Phnom Penh government would do everything it could to protect the Vietnamese and other foreigners in Cambodia.

### Commentary Hails Outcome of Visit

*BK1801065395 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 17 Jan 95*

[Political commentary: "A Visit That Brings About a Good Agreement"]

[FBIS Translated Text] On the afternoon of 17 January Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia [KOC], and Princess Marie Ranariddh returned home after a successful three-day visit to the SRV.

During his visit from 15 to 17 January, the prince krompreah received a warm and cordial reception from the SRV leadership. The prince krompreah and his delegation also held talks with His Excellency [H.E.] Do Muoi, general secretary of the Vietnamese Communist Party [CPV]; and H.E. Le Duc Anh, SRV president. Furthermore, the KOC's high-ranking delegation also held a three- and one-half-hour meeting with H.E. Vo Van Kiet, SRV prime minister.

Through these talks the two sides reached good agreements on various issues affecting bilateral relations, including goods transit, immigration, and the common border of 950 km.

Concerning goods transit, Vietnam and Cambodia agreed to continue implementing the agreement signed 3 April 1994 and agreed to examine and concretely amend a number of articles in this agreement to conform with international law and practice for the benefit of both countries.

As for the KOC immigration law, adopted by the National Assembly on 26 August 1994, Prince Krompreah Norodom Ranariddh explained, affirmed, and promised that this law will be applied to all foreigners living in Cambodia and that there is no intention

to gather or expel en masse Vietnamese or other residents from Cambodia. He also clearly specified that Cambodia will strive, in accordance with its appropriate legal means and capability, to ensure the safety of all foreign residents in Cambodia. It was in this spirit that the two sides agreed to embark on an experts' meeting in the near future to discuss and resolve the issue of Vietnamese residents in Cambodia based on Cambodian law and international law and practice.

Concerning the border issue, which lately has been exploited by the Khmer Rouge and their accomplices to create a rift, the prince krompreah and Vo Van Kiet affirmed the desire to make the border one of long-lasting peace and stability aimed at contributing to the good neighborly cooperation between the two countries. In this spirit, the two sides agreed to allow local authorities to meet and take measures aimed at ensuring security and stability in the border area and reaffirmed the agreement to set up expert teams to discuss and resolve the border line. In the meantime, the two sides agreed specifically to maintain the status quo, without changing or moving border markers and to prevent the citizens of both countries from crossing the border to grow crops or take up residence. They also agreed to carry out operations to ensure security and order along the border.

National and international public opinion highly praise the constructive spirit of the Cambodian and SRV Governments in resolving thorny issues in bilateral relations. Analysts see this as a big step in strengthening relations. This also is a major contribution to the consolidation of peace, stability, and cooperation in Southeast Asia and the rest of the world.

Our people welcome and greatly rejoice in the visit by the prince krompreah as first prime minister. Our people clearly understand that there is no interest at all in fostering hostility with neighboring countries. The spirit of the government at the moment is in accordance with the first clause, Article 53, Chapter 4, of the Constitution, which stipulates that the KOC constantly adheres to a policy of permanent neutrality and nonalignment. The KOC coexists peacefully with neighboring countries and other countries around the world.

#### **Sihanouk Supports Extension of KR Amnesty Law**

*BK1701124895 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 17 Jan 95*

[Speech by King Norodom Sihanouk at Kandal Province's mental hospital on 17 January—recorded]

[FBIS Translated Excerpt] I would like to pay my greatest homage to all Buddhist monks on the podium, especial the head monk of our prominent Kandal Province. [passage omitted]

I am extremely pleased and very touched by your warmest welcome. This is evidence that you, the children

and grandchildren, have not only loved and trusted the king father and the queen mother, but you have also succeeded in uniting. Your unity around the throne, the king, and the queen means that you are all patriotic; you know the value of peace, solidarity, and national unification.

It is true that problems still exist, and the major one that has prevented us from speeding up our national reconstruction process as desired—actually, you have now already made impressive progress; I wish to praise you—is the Khmer Rouge issue. Somehow, if the Khmer Rouge is really patriotic, they should return to the national community; don't fight unreasonably; please return.

Availing myself of this opportunity, I would also like to commend the royal government, headed by Samdech Ranariddh and Samdech Hun Sen, for its efforts in the implementation of national reconciliation policy. So, the Khmer Rouge is urged to stop fighting; they should return and reunite as in the time when I was the chief of state. During the Sangkum Reas Niyum era, because we were united, we were secure and happy. Now, if we are in peace, we will be able to resolve all national problems, thereby promoting national reconstruction in all fields. Therefore, I wish to declare support for the government's national reconciliation policy of welcoming back the Khmer Rouge. Now, this law regarding the Khmer Rouge has already expired. However, if this law is extended, I will be very happy, because it is for the sake of our people's peace. [passage omitted]

#### **Defense Ministry To Request KR Amnesty Extension**

*BK1801102395 Hong Kong AFP in English 1001 GMT 18 Jan 95*

[FBIS Transcribed Text] Phnom Penh, Jan 18 (AFP)—Cambodia's Defence Ministry Wednesday said it will ask the government to extend an amnesty for Khmer Rouge [KR] guerrillas from remote areas of the country, just three days after it officially ended on Sunday.

"The ministry knows that because of pressure from their leaders more Khmer Rouge from remote areas wanted to defect but could not do so in time," co-defence minister Tie Banh told AFP.

"The ministry will submit a draft appeal to the government and then the National Assembly, asking to extend the amnesty for three or four months," he said.

Tie Banh said the ministry wants the amnesty extension only to cover the remote northwestern areas along the Thai-Cambodian border, including Preah Vihear Province, where the Khmer Rouge are still active.

A six-month countrywide amnesty for guerrillas who change sides ended January 15, with the government praising its success in bringing thousands of Khmer Rouge over to the government side.

A government press release said the government would still encourage guerrillas to defect despite the deadline but warned of harsh penalties, ranging from 20 years to life imprisonment, for those who remain with the Khmer Rouge.

First Prime Minister Prince Norodom Ranariddh said recently "more than 6,000 Khmer Rouge and their families" defected to the government in the past twelve months. However, these figures are unconfirmed and several diplomats say most of the defectors were civilians or militia rather than the few remaining hard-core cadres.

Many of the men who defected from the guerrillas have been given ranks in the royal army and sent back to fight their former colleagues in the Khmer Rouge.

The Prince flew to Siem Reap Wednesday where he was expected to oversee another ceremony integrating guerrillas who defected before the January 15 deadline into the armed forces, officials said.

Before the amnesty expired last Sunday officials expressed differing opinions whether it should be extended or not. Several military officers in particular said they thought it should continue for several months.

"I want to request the Royal Government to extend the amnesty for one or two more months because more and more Khmer Rouge are defecting, it is not good to stop it now," General Nhek Bunchay, the army's deputy chief of the general staff said recently.

A diplomat told AFP he thought it was not only the success of the defections which made Phnom Penh's military ask for the amnesty extension, but also the troubled state of their own forces. Cambodian authorities have been saying for the last few months they have already begun restructuring their oversized army, plagued as it is with indiscipline and rampant corruption. But some diplomats question how integrating Khmer Rouge fighters into the army ties in with plans to streamline the military.

Wednesday's decision by the defence ministry to ask for the amnesty extension comes after Cambodian King Norodom Sihanouk called for more guerrillas to defect.

"I support the national reconciliation policy of the government, and even though the amnesty has ended, we should welcome Khmer Rouge defectors," the King said Tuesday, in his first speech since returning from Beijing where he was recovering from cancer treatment.

#### Defection of 51 Khmer Rouge Fighters Noted

*BK1601121495 Phnom Penh AKP in English 1002 GMT 16 Jan 95*

[FBIS Transcribed Text] Phnom Penh AKP January 16—Fifty-one Khmer Rouge guerrillas have defected to the local authorities in Siem Reap and Banteay Meanchey Provinces, handing in 49 assorted guns.

Of the defectors, 18 reported themselves on January 8 to the local authority of Phnum Srok District, Banteay Meanchey Province, bringing along 17 assorted guns and 33 others on January 11 to the Royal Cambodian Armed Forces Division 11 posted at Chikreng District, Siem Reap Province, handing in 32 guns of DK-75, 60 mm mortars, B-40.5 launchers and rifles.

The defections were made just a few days ahead of the expire date of grace period of amnesty provided by the law banning the Khmer Rouge.

The Cambodian National Assembly overwhelmingly passed a bill outlawing the Khmer Rouge in July last year. It imposes tough measures which include the power to arrest and sentence guerrillas to jail terms ranging from 20 years to life. It, however, provides six month period of amnesty for those who defect to the government, free from crimes they committed in the past. The amnesty period expires on January 15.

Veng Sei, ex-platoon commander of the Khmer Rouge Division 509 who led his men to defect to the authorities in Phnum Srok, Banteay Meanchey Province, said he had been misled to struggle against his own people. "The war against Vietnamese occupation propagated by Khmer Rouge leaders is in fact a war to meet their ambition of retaking power from the government," he said.

The defectors have been visited by provincial authorities who gave them clothes and cash to facilitate them to embark on a new life with their families.

Since the beginning of 1995 to January 11, the provincial authorities of Siem Reap had received 375 Khmer Rouge defectors. Last year, they received 1,445 defectors.

#### Anti-KR Law Said To Hurt 'Ordinary' People

*BK1601024195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 15 Jan 95*

[Unattributed commentary: "Against Whom Is the 15 January 1995 Fascist Law of the Two-Headed Government Aimed? It Cannot Do Any Harm to the Khmer Rouge; Instead, It Will Hurt the Phnom Penh Masses and Any Personalities and Politicians Who Are Not Puppets of Communist Vietnam"]

[FBIS Translated Text] The fascist law of 15 January 1995 continues the fascist law of July 1994 issued by two-headed traitors Hun Sen, Chea Sim, and Sar Kheng at the order of the communist Vietnamese enemy and villainous alliance. This fascist law is being opposed by everybody. The people both in Phnom Penh and the countryside resolutely oppose and denounce it. Even opinions inside the two-headed government and two-headed parliament also resolutely oppose and denounce it. This is because it is contrary to the will of the people; runs counter to democracy and human rights; and arbitrarily suppresses, incarcerates, and murders people.

Sam Rangsi and 13 other MP's have condemned this fascist law, saying that it is intended against the Khmer Rouge [KR] but can hardly do any harm to the KR; on the contrary, it will particularly be used to suppress and arrest those people who are opposed to the war and want peace and national reconciliation. These people are well aware of the objective of this fascist law, but they have not seen it in action yet.

Since July 1994, what consequences has this fascist law produced? As a consequence, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] has been licked and so have many others. FUNCINPEC has been virtually nullified; it has melted down like a snowball in hell. FUNCINPEC has been neutralized by two-headed Hun Sen, Chea Sim, and Sar Kheng both inside the legislative and the executive. Hun Sen, Chea Sim, and Sar Kheng have bumped off Sam Rangsi and Sirivut and spared only the worthless ones in this party, such as Ranariddh, who have consented to serve as their puppets. They have eliminated people both openly and secretly, shooting and killing anyone and any journalist they considered an obstacle on their way.

Lately, Hun Sen, Chea Sim, and Sar Kheng—the puppets who are out-and-out lackeys of the communist Vietnamese enemy—have again threatened to use arms, soldiers, police, and Vietnamese Dac Cong [sappers] to destroy anyone who dares stage a constitutional coup. This remark was made by the Vietnamese enemy to trample on his majesty the king and all other persons, including even those in the villainous alliance who have given them money.

Therefore, the July 1994 law as well as the law of 15 January 1995 is a fascist law issued not just to antagonize Democratic Kampuchea—against whom they have been powerless for the past 16 years although Democratic Kampuchea has not been afraid to fight the communist Vietnamese enemy and resolutely oppose the traitorous two-headed government and traitors Hun Sen and Chea Sim—but also to kill, to eliminate others in the parliament and the two-headed government who have nothing to do with Democratic Kampuchea.

Those in the villainous alliance of the United States, Australia, and France who have supported this fascist law are criminals conniving with the two-headed government in trying to do away with the Cambodian nation and people. Just wait and see, as of 15 January this fascist law will not be able to deal any harm to Democratic Kampuchea. It will hurt only the people of Phnom Penh; pressure and suppress only ordinary personalities, journalists, and politicians; and repress, arrest, and murder only ordinary people. It will further trample on his majesty the king and squeeze more money out of the long-noses.

Toward the fascists, we must fight them; we cannot ask them for peace.

## Indonesia

### Suharto Holds Talks With Croatian Prime Minister

*BK1601094095 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 16 Jan 95*

[FBIS Translated Text] President Suharto and Croatian Prime Minister Nikica Valentic held one-on-one talks at Merdeka Palace in Jakarta today. Here is Reporter Sudirman Hala reporting live from Merdeka Palace on the results of the talks between the two heads of government.

[Begin recording] The talks centered on two major issues—political developments in Bosnia-Herzegovina, as seen by Croatia, and economic cooperation. Prime Minister Nikica Valentic asked Indonesia in general and the president in particular to take all necessary steps to find a way to end the 21-month crisis in the former Yugoslavia. The Croatian prime minister made the call in view of Indonesia's role as a chairman of the Non-aligned Movement, a member of the Islamic Conference Organization, and a nonpermanent member of the UN Security Council. Indonesia officially became a nonpermanent member of the UN Security Council in January.

Minister and State Secretary Murdiono told reporters that President Suharto will take all the necessary steps in coordination with fellow ASEAN leaders. Minister Murdiono summed up the results of the talks. First, Croatia will open an embassy in Jakarta in the first half of 1995, and Indonesia will in return open its embassy in Zagreb. However, Indonesia has accredited an ambassador, who is concurrently ambassador to Hungary, to Croatia. Second, the two countries will enhance economic cooperation, and agreed on an exchange of visits by officials and businessmen. President Suharto raised the possibility of Croatia selling goods needed for the development of a liquified natural gas project in Natuna.

On the occasion, the Croatian prime minister invited the president to visit Croatia. President Suharto was also invited by the Bosnian president and prime minister to visit Bosnia-Herzegovina. The president immediately asked the minister and state secretary and Foreign Minister Ali Alatas to explore the possibility of such visits. Here is Sudirman Hala reporting from Merdeka Palace. [end recording]

### PRC Procurator General Emphasizes Legal Cooperation

*BK1601093995 Jakarta SUARA KARYA in Indonesian 16 Jan 95 p 3*

[FBIS Translated Excerpt] Magelang (SUARA KARYA)—PRC Procurator General Zhang Siqing has said the PRC deems it necessary to establish legal relations with Indonesia in view of their close ties.

"We want Indonesian-PRC ties to be further strengthened through an exchange of information or scientific

cooperation in the legal field," PRC Procurator General Zhang Siqing told reporters during his visit to Borobudur Temple last Saturday.

The senior PRC legal officer is paying his first visit to Indonesia to reciprocate a visit by Attorney General Singgih S.H. [Master of Law] to the PRC in 1992. The delegation of the PRC procurator general included Mr. Wang Jun, Guangdong provincial procurator; Major General Liu Baozhen, head of the Military Procuratorate; and several other officers. The Indonesian side was represented by Dr. Suhadibroto S.H., junior attorney for civil and state administration laws; H. Harry Mujono S.H., head of the Central Java Provincial Prosecutor Office; and Makmur Hadi S.H., head of the Yogyakarta Special Region Prosecutor Office.

According to Zhang Siqing, Indonesia and the PRC have similar basic legal principles due to the universality of law. However, their legal systems are different due to their different cultures, historical backgrounds, and political convictions. "We deem it necessary to undertake mutually advantageous cooperation in view of the differences," he said through an interpreter.

He stated that a cooperation accord on an exchange of information, scientific activities, study tours, and other activities in the legal field was signed in Jakarta. According to Zhang Siqing, the PRC deeply respects the differences and hopes to benefit from the visit. The differences will pose no problem but will instead enable the two sides to get to know each other. [passage omitted]

#### **Timorese Resistance Leaders View Peace Talks**

*BR1701160895 Lisbon EXPRESSO in Portuguese  
14 Jan 95 p 5*

[Report by Mario Robaldo: "Timorese Demand Presence of Ximenes"]

[FBIS Translated Text] The first round of inter-Timorese talks (agreed to during Monday's meeting between the foreign ministers of Portugal and Indonesia) will have to include the "essential presence" of Bishop Ximenes Belo. On the contrary, the meeting between Timorese factions in favor of integration and defenders of independence (which was to be held before the meeting which the UN secretary general will have in May with Portuguese Foreign Minister Durao Barroso and Indonesian Foreign Minister Ali Alatas, according to what EXPRESSO learned from a UN diplomatic source) will not be held.

The demand was made by Ramos Horta, leader of the Coordinating Committee of the Democratic Front (comprising the Democratic Union of Timor and the Revolutionary Front for an Independent East Timor—FRETILIN), who said to EXPRESSO yesterday that he had already told Portugal and the UN secretary general that the inter-Timorese dialogue "must be comprehensive, and the invitations must be made by the United Nations."

Xanana Gusmao's representative feels that "not just those Timorese favorable to the integration advocated by Lopes da Cruz (the Timorese appointed ambassador at large by Suharto) can participate in the meetings." Ramos Horta maintained that "in addition to elements of the resistance within the territory, there must also be Timorese present who serve the Indonesian administration, but who do not share Lopes da Cruz' opinion."

#### **"Serious and Intolerable Precedent"**

In the meantime the restriction imposed in point three of the conclusions of the meeting of the two ministers in Geneva, in which it was stated that the political status of East Timor could not be discussed at the inter-Timorese "forum," is creating a climate of unease among various members of the Timorese resistance movement.

For Jose Luis Guterres, head of FRETILIN's delegation abroad, who was in Geneva, "it was a serious and intolerable precedent." Guterres even added that he had already sent a recommendation to the party leadership within the territory along the lines that "this wording in the inter-Timorese dialogue should only be accepted if our interests are respected." While he did not mention what FRETILIN's "interests" were, he did add that he did not believe that "anyone who went into the bush 20 years ago would agree to jeopardize the territory's status."

Ramos Horta said he was "awaiting instructions from Xanana Gusmao." He emphasized, however, the contradiction of the paragraph of the final statement of the meeting between Alatas and Barroso which called for "a free exchange of information (among the various Timorese sensibilities) to explore ideas of a practical nature." "It does not make sense to refer to the freedom of communicating ideas while making it impossible to have a dialogue on the political status of the territory."

Horta said cautiously, however, that he was prepared to "be very flexible in order not to give Indonesia a reason to undermine these meetings." Alatas said that the inter-Timorese talks were not called by the UN secretary general, but were only "facilitated" by him. Whatever the case, Alatas is trying to strip the "international character" from the meetings "by placing them on the same level as the so-called London meetings that were promoted by Indonesia, and at which there was also no discussion of the territory's status." Guterres noted.

It was Bishop Ximenes Belo who said "he had no hopes" in the inter-Timorese meetings. The bishop of Dili, who on Thursday was in Manila for a planned meeting with the pope and the Asian bishops, said to the news agency LUSA that it was first necessary to know "which people are going to participate in the meeting and what they are going to talk about."

#### **Economic Conditions Compared to Mexico's**

*BK1701070795 Jakarta KOMPAS in Indonesian  
16 Jan 95 p 4*

[Editorial: "Our Situation is Different From Mexico. But We Still Must Be Careful"]

[FBIS Translated Text] Our situation is not like that of Mexico, but we must still be careful. That is what Finance Minister Mar'ie Mohammad and other Indonesian financial authorities have repeatedly expressed in response to the Mexican economic crisis which has caused ripples worldwide, including our country.

Under the new president, Ernesto Zedillo Ponce de Leon, Mexico has suffered from a financial crisis since the end of 1994 with a declining peso and sky-rocketing inflation.

What is meant by the statement that Indonesia's condition is different from that of Mexico? The current account deficit balance reached 8 percent of GDP. Ours is 2 percent. Our condition is better.

We have sufficient foreign exchange reserves. For 1995 they are expected to rise to US\$15.5 billion, or the equivalent of five months imports. The amount is considered sufficient if the total covers four months of import.

Indonesia is more successful in mobilizing domestic capital than Mexico. Domestic capital is in the form of people's savings and taxes. If most capital comes from abroad, it will flee as soon as there is a threat. Such circumstances caused the financial crisis in Mexico.

Despite the better situation we have here, we must take the finance minister's warning seriously in that we have to be careful in managing our economy. In other words, we have to learn from Mexico's crisis. That country experienced an economic breakdown in the 1980's. The price of its main export, petroleum, fell drastically. Mexico could not repay foreign debts and its economy went through a long recession. Inflation exceeded 150 percent.

Through strict economic reforms, by tightening expenses and receiving aid from the United States and sources such as the World Bank and the International Monetary Fund, Mexico experienced recovery 10 years later.

Mexico's achievements were appreciated, and it received additional markets and more capital after it signed the North American Free Trade Agreement (NAFTA) with the United States and Canada. Inflation was lowered from 150 percent to only 15 percent.

Exports increased, but imports increased even more. Imports were not limited to capital goods, but included luxurious consumer goods. In the last seven years, exports increased 25 percent while imports increased 400 percent.

When the exchange rate of the peso against the U.S. dollar became unrealistic, Mexico failed to take action. By the time President Zedillo devalued the peso it was too late, and foreign financial contributors were disappointed because the move contradicted the government's previous statement that it would not devalue the currency.

That was what Mar'ie Mohammad meant when he explained that the Mexican authorities' overconfidence in managing the country's financial matters had worsened the crisis.

The causes included non-economic factors, particularly political ones. At least the facts are clear from economic analysis and are logical.

The economic recovery of Mexico expanded the middle-class economy, but the poverty-level population remains at 40 percent. The people in the Chiapas Mountains who rebelled last year are some of the poorest. The rebels, which had widespread support, weakened economic stability.

The government attempted social reforms. Before the problems were settled, political violence had shaken the country even more. Presidential candidate Luis Donaldo Colosio was murdered and replaced by Zedillo.

Another murder victim was Zedillo adviser Jose Francisco Ruiz. These murders of political figures further weakened stability.

What happened next is the mixed influence of economics and politics. If such a situation causes a large amount of capital to leave the country, financial crisis is certainly imminent.

In general, the country enjoyed stability. The Chiapas rebellion and the political violence raised questions of whether the stability was strong, resilient, and deeply rooted, or whether there were underlying weaknesses.

What lessons can we learn? Once we heard a reminder to be careful when foreign loans reach \$100 billion. This figure is considered a bad omen.

The government, including the coordinating ministers for economics and finance development supervision and the minister of finance, has reiterated that. We still must be careful, despite the axioms that large loans result in commensurate productivity.

The omen and the warning, however, echo louder. Care must be taken not only by the government, but the private sector as well. Of the \$100 billion in loans, the government is liable for 59 percent and the private sector for the remainder.

The private sector now must assume great responsibility for good management of the foreign loans. They must not only take the chance of acquiring the foreign funds, but they must exercise sound judgment afterward.

It is not just the macro-economic managers who must be careful, but the micro-economic managers and entrepreneurs as well. The government, state-owned enterprises, and private sector must remain vigilant and careful. The problems that arise cannot be resolved with the various reserves, such as the development fund.

We can rejoice that we are more successful in mobilizing domestic funds for investment, but we still must be careful and exercise foresight. Petroleum prices are not very promising. Other nonoil and nongas exports, such as textiles and timber, have faced competition and are in discouraging situations.

It is true that from within and without, the political stability in Indonesia is sound. Lieutenant General Sudibyo, head of the National Intelligence Coordinating Board, said this to the press while speaking on the security and stability perspectives for 1995. He warns us to be alert and careful.

Almost every developing country lives with vulnerabilities. One of ours is the prevailing problem of East Timor. There are other conflicts and misunderstandings.

For Indonesia, with its geo-political situation, such vulnerabilities have potential for worsening the situation. Therefore, we must remain alert.

From the reported unlawful actions and violence in our society, we feel that the present situation is quite sensitive and has the potential for wider violence.

Our present challenge is making every individual in this diverse society feel part of the progress and not left out.

Economic and noneconomic conditions, especially the socio-political area, are under control. As a wise nation, it is nonetheless imperative to remain alert and careful in managing our finances. We see all of this in Mexico's economic crisis.

### Laos

#### Army Paper Praises SRV Army Delegation Visit

*BK1801102695 Vientiane KONGTHAP PASASON in Lao 11 Jan 95 p 1*

[Editorial: "The Special Solidarity and Comprehensive Cooperation Between the Two Countries and Armies of Laos and Vietnam Will Be Further Strengthened Every Passing Day"]

[FBIS Translated Text] As reported earlier, between 5 and 9 January 1995, our army had the opportunity to welcome a high-level SRV military delegation during its official friendship visit to the Lao People's Democratic Republic [LPDR]. The SRV military delegation was headed by Comrade Doan Khue, Political Bureau member of the Communist Party of Vietnam Central Committee and SRV national defense minister. The delegation also brought its most intimate friendship to its Lao counterpart. The visit ended with brilliant success.

In addition to allowing the two sides to draw lessons from each other regarding organizational, command, and training work; to review the outcome of cooperation and the exchange of experiences in 1994; and to discuss

the direction of the 1995 mutual assistance and cooperation plan between the National Defense Ministries of the two countries, the visit also served to strengthen the time-honored and traditional special solidarity and comprehensive cooperation between the two countries and armies.

The Lao army and people are very proud to see that in spite of numerous rapid and complicated international and regional changes in recent years, under the talented and clear-sighted leadership of the Lao People's Revolutionary Party and the CPV, the LPDR and the SRV have made relentless progress with numerous great achievements in the social, cultural, economic, public security maintenance, and national defense areas. This in turn has gradually strengthened and raised the role and influence of the LPDR and the SRV in the international arena.

In 1994, the tradition of mutual relations, solidarity, and assistance between the two countries and the Lao and Vietnamese People's Armies has been brilliantly enhanced. The 1994 cooperation agreement signed between the two National Defense Ministries has been effectively implemented. The Vietnamese People's Army continued to provide facilities and lessons to us in cadre training and upgrading and cooperated with us in carrying out certain primary business enterprises on the basis of equality and mutual benefit. The Lao army and people are elated to see the continued growth of such great friendship. They firmly believe that this working and friendship visit by the high-level SRV military delegation will further strengthen this great friendship, the special solidarity, and comprehensive cooperation between the two countries and armies, thus making them ever more fruitful in the future.

The Lao army and multiethnic people pledge to do our utmost in cherishing, strengthening, and developing such fine traditions, thus making them even more efficient under the emerging new conditions.

May the great friendship, special solidarity, and comprehensive cooperation between the two countries and the Lao and Vietnamese armies last forever!

#### 'Enemy' Losses During 1968 Battle Recalled

*BK1401144795 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 14 Jan 95*

[Army tradition review feature: "The Combat Operation Where a Large Number of Prisoners Were Captured"]

[FBIS Translated Excerpt] Twenty-seven years ago, our armed forces and people were struggling unitedly against the imperialist aggressors and the traitorous reactionaries, their lackeys. In mid-January 1968, our armed forces and people won a victory in a combat operation in Nam Bak, a district in northern Luang Prabang Province. After that, more than 10,000 people were freed from enemy control. This victory was renowned throughout, and thus announced to the world the

strength of the Lao people's revolutionary movement. In addition to completely liberating Nam Bak, our armed forces captured more than 2,000 prisoners of war.

Nam Bak is a district in northern Luang Prabang Province, which was considered an important and militarily strategic area. [Passage omitted]

Deploying the plan to attack with the hope of seizing the liberated areas from the patriotic forces from north to south, during the rainy season of 1967, the imperialist aggressors launched their infantry against Phang and Ngan districts in southern part of Xieng Khouang Province. Simultaneously, they stepped up small-scale attacks against many other liberated areas. In Nam Bak alone, the imperialists and their henchmen mobilized four regiments and two battalions of their strong armed forces stationed at various points. They deployed Regiments nos. 11, 12, and 25 and air infantry battalion no. 99 attached to the 21st regiment stationed at Nam Bak on the right bank of the Nam Ou River, while deploying air infantry Regiment no. 15 and Battalion (BS-202) stationed at Nam Beng on the left bank of the Nam Ou River. These armed forces were supported by shellings from an artillery battalion and by aircraft which carried out 20 to 30 bombing sorties every day. They had hoped to seize Ngoi District and destroy our armed forces' trail to Nam Bak. Nevertheless, they failed to fulfill their plan.

On 11 January 1968, our side encircled the enemy stationed at Nam Bak. At 0700 on 12 January, our armed forces and people attacked the enemy's Regiment 12 at Phou Houat and Na Gnang. Simultaneously, we attacked the air infantry Battalion 99 at Phou Nathao. After 35 minutes of fighting, enemy soldiers fled in panic to the southwest of Nam Bak District in different directions after being chased and fired at by our forces. On the evening of the same day, our forces launched a surprise attack against the Nam Bak airfield. On 13 and 14 January, all the enemy forces retreated from Nam Bak. However, they were disrupted by our forces which surrounded them in Nam Phon, Nam Nga, Houai Peuntok, and Houai Ngat. As a result, more than 2,000 enemy soldiers, including both officers and men, were captured prisoners in this campaign. Our side took complete control of all positions in Nam Bak on 14 January 1968.

Our armed forces then continued to suppress the remnants of the enemy who hid themselves in forests until 26 January. In three day and nights of fierce fighting, from 12 to 14 January 1968, our armed forces and people wiped out up to 3,000 enemy soldiers. Of these, more than 1,000 were killed and more than 2,000 others were captured. Two enemy (?mobile) regiments and six infantry battalions were put out of action completely. Two artillery battalions of the enemy were also badly defeated. Our armed forces seized 1,450 guns of different types, downed or destroyed on the ground a number of aircraft, seized or destroyed more than 1,000 metric tons of war equipment, and freed more than 10,000 people from the enemy.

The victory of the Nam Bak operation proved our party's correct and just line. It therefore gained vigorous support from Lao people of all tribes. [passage omitted]

## Philippines

### Conflicting Reports on Abu Sayyaf's Janjalani

#### Chief Reported Killed

*BK1601044995 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 15 Jan 95*

[FBIS Translated Text] A Philippine National Police report from Basilan has said that Abu Sayyaf group leader Abubakar Abdurajak Janjalani has been killed. Janjalani was one of those killed by government troops during an encounter in District Lantawan, Isabela, Basilan last Friday. According to General Arturo Enrile, Armed Forces of the Philippines chief of staff, he is still awaiting confirmation of the report. However, he is sure that Janjalani was in the group engaged in a gunbattle with government forces last Friday.

At present, a total of 40 casualties are reported from both sides in the firefight—33 confirmed killed and 15 injured from the Abu Sayyaf, while seven are reported dead from the government's side, and the 29 injured are mostly officials. The seven casualties from the government side were: Sergeant [Sgt.] Antonio Catalan, Sgt. Melchor Bogonio, Private First Class [Pfc.] Apolinario Magbanwa, Cristituto Kapilan, Bartolome Ignacio, Eduardo Camante, and Antonio Lato. Those injured were Captain Cirilito Subijana, Allan Cordova, Sgt. Leonard Rosales, Corporal Ely Aman, Pfc. Giovanni Prancia, Jose Amel Callos, Jesser Bernales, and Angelino Mapuli.

Enrile said the purpose of the government operation against the Abu Sayyaf is to rout the group from its lair. He added that the Abu Sayyaf may now be divided into small groups and currently hiding in Lantawan, Basilan.

Meanwhile, some 177 people have left the Lubang Evacuation Center in Isabela, Basilan due to intense fighting between government troops and Abu Sayyaf.

[Begin Enrile recording in English] My instructions to General Soriano is run them to the ground and conduct continuous operations until they are incapable of creating trouble. [end recording]

#### PNP Official Denies Reports

*BK1701020795 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 16 Jan 95*

[FBIS Translated Text] Abu Sayyaf leader Abubakar Abdurajak Janjalani is alive. According to Orville Gabuna, Zamboanga PNP [Philippine National Police] Regional Command Chief, he has informed PNP Chief Ricaredo Sarmiento that reports that Janjalani had been killed while fighting army troops had not come from his command. Gabuna made it clear that, based on reports

they have received, the names of the Abu Sayyaf casualties are (Kalaw Jalali) and (Basirud Ampol) and not Janjalani.

### Government Approves Infrastructure Projects

*BK1301143295 Manila BUSINESS WORLD in English 12 Jan 95 pp 1, 6*

[Report by Micheline R. Millar]

[FBIS Transcribed Text] Government yesterday approved seven major infrastructure projects worth P [pesos] 24.165 billion during this year's first regular Cabinet-level Investment Coordinating Committee (ICC) meeting at the Bangko Sentral [Central Bank].

Among the projects approved was the P492-million integrated security system at the Ninoy Aquino International Airport.

The project will be handled by the Manila International Airport Authority and will be funded by a United Kingdom mixed credit line.

The other six projects approved by the ICC have been included in the list of proposals submitted by the Philippine Government for inclusion under the 20th yen loan package from Japan.

The list of projects to be included under the 20th yen loan package will be finalized next week by Philippine and Japanese Government representatives.

The six projects, all of which will be handled by the Department of Public Works and Highways [DPWH], are:

—The P2.859-billion third phase of the Metro Manila interchange construction project. This will involve the civil works, right-of-way acquisition, engineering services, contingency and price escalation of the following: the capacity expansion of the Magallanes interchange, the construction of a depressed roadway on the EDSA [Epifanio de los Santos Avenue]-Quezon Ave. intersection; the Circumferential Road (C) 5-Ortigas Ave. extension, which would include the construction of a flyover connecting EDSA, Pasay City and Ayala Ave.; and, the EDSA-Kalayaan Ave. flyover.

—The P3.838-billion second phase of the Fil-Japan Friendship Highway rehabilitation project, which will cover the Alacapan-Aritao road from Cagayan to Nueva Vizcaya and the Calauag-Matnog roads covering Quezon to Sorsogon. The project will complete the rehabilitation of the Fil-Japan Friendship Highway in Luzon by the year 2000.

—The P2.335-billion Phase IV of the rehabilitation and maintenance of bridges along arterial roads. This involves the reconstruction or replacement of seven-foot bridges along the Manila North road and the Luzon section of the Pan-Philippine Highway.

—The P2.471-billion second phase of the arterial road links development project. The project involves the paving of 34.5 kilometers of coastal road in Southern Samar, 46.5 kilometers in Western Leyte and the Regional Tourism Development Road project which would involve the paving of 29.6 kilometers of road.

—The study and detailed engineering for an alternative route to the Dalton Pass section road in Nueva Vizcaya. The DPWH is currently choosing among three alternative routes: the one between San Jose and Aritao, which has an estimated cost of P5.039 billion; the eastern diversion, which may cost P3.289 billion; and, the western diversion, which would require P3.9 billion.

—The P7.131-billion second phase of the rural road network development project, which will cover national and secondary road networks nationwide.

### EPZ Investments Exceed Target by 140 Percent

*BK1601111795 Manila BUSINESS WORLD in English 13 Jan 95 p 13*

[Report by Rachael O. Morala]

[FBIS Transcribed Text] Investments in export processing zones (EPZs) were driven to stunning levels last year, latest report from the Export Processing Zone Authority (EPZA) indicates.

The investment target set for 1994 which stood at P [pesos] 4 billion was exceeded by 140 percent, reaching P9.59 billion as of end-December. This almost quadrupled the P2.6-billion level recorded in 1993.

In a telephone interview, EPZA Administrator Tagumpay R. Jardiniano attributed the capital inflows to the general investment climate in the country. The atmosphere of liberalization encouraged the entry of foreign investments, he explained.

He also pointed out the joint effort of the private and public sectors in inviting new investors to the country. The readiness of the industrial estates in accommodating incoming businesses also proved to be a crucial factor which positively affected investment levels in 1994.

The success achieved by EPZA has been translated to a stiffer target for this year. Mr. Jardiniano mentioned the primary estimate of the 1995 target at P25 billion. The EPZA board puts its hopes to increased capital formation in semiconductors and electronics from Japanese and American investors.

Privately managed zones (special zones) captured P6.78 billion or 71 percent of total investments. Most of the investments in special zones—P6.61 billion—were infusions to new projects.

The Laguna International and Industrial Park topped all other special EPZs with capital infusion of P2.95 billion.

The Light Industry & Science Park of the Philippines followed closely with investments reaching P2.56 billion.

For government-owned-and-managed zones (regular zones), a total of P2.81 billion worth of investments were poured in. Driven by expansions in its existing firms, the Mactan EPZ cornered P1.54 billion of total infusions. More than half of which—P872 million—were directed towards increased production activities.

On the other hand, the Cavite EPZ topped all other regular zones, with new projects amounting to P898.36 million. Capital infusions totalled P932.36 million.

The electronics industry took the lion's share of investments. A total of P6.42 billion worth of capital went into the sector last year.

The plastics industry came in a far second, with infusions reaching P894.22 million. Also, the transport industry gathered P794.11 million worth of investments.

The Japanese led the pack of investors with aggregate funds worth P5.22 billion. American investors ranked second with capital inflows reaching P1.2 billion last year.

Also leaving their marks, Dutch firms poured in P855 million worth of investments.

It is interesting to note, however, that Filipino investors contributed P749.1 million worth of capital.

Data from EPZA also show the Japanese-owned Hitachi Computer Proc. (Asia) Corp. was the top investor in the EPZs last year. The company injected P1.525 billion worth of new capital at the Laguna Technopark, Inc. with projected employment generation of 1,290 workers.

Furthermore, investments of Uniden Philippines, Inc. (also Japanese-owned) which amounted to P1.32 billion provided new capital to the Light Industry & Science Park. This was used for the manufacture of parts and supplies of radio, television, and communication equipment and apparatus. Uniden was officially registered in October with projected employment of 2,422.

Within the EPZs, Sunward Electronics (Phils.), Inc. and Sunward Technologies (Phils.) had a combined employment projection of 5,282—beating all other new investors.

Both firms are located at the Carmelray Industrial Park. The latter is known for its manufacture of electrical communication equipment.

On the other hand, National Semiconductor in Mactan EPZ topped all other firms in business expansions. Capital geared for expansion activities reached P512.12 million.

TMX Philippines, Inc., also located in Mactan EPZ, followed with funds for expansion amounting to P323.73 million.

## Thailand

### Official, MP View Motive of U.S. Travel Advisory

BK1401114595 Bangkok *THE NATION* in English  
14 Jan 95 p A2

[FBIS Transcribed Text] Defence Minister Wichit Sukmak gave an assurance yesterday that it was safe for American tourists to travel to northern Thailand, despite the recent warning from Washington. The warning, issued by the US State Department on Saturday, identified three northern Thai provinces—Chiang Mai, Chiang Rai and Mae Hong Son—as "the areas of the greatest concern (to the US)".

It warned Americans travelling in the North against "possible reprisals" by opium warlord Khun Sa, as a result of a string of arrests of many of his leading lieutenants in late November.

"I'd like to repeat the Foreign Ministry's assurance that foreign tourists will be safe in Thailand. Our country is peaceful, 100 per cent peaceful," Wichit said.

The crackdown on Khun Sa's leading men is said to have crippled the kingpin's Thailand network and has been heralded as a joint success for Thai and US anti-drug police. But the spokesman for the House Committee on Foreign Affairs, Kuthep Saikrachang (Phalang Tham Party-Sisaket), indicated yesterday that the Thai government's reluctance over extraditing former Nakhon Phanom MP Thanong Siriprichaphong to face drug charges in the United States could have motivated the US warning.

Kuthep said the warning could make Americans think that violent battles have been taking place in the three provinces, causing serious security problems there.

According to Kuthep, the US government might be dissatisfied with the Thai government for "passing the buck"—the requested extradition of Thanong—to the Thai court.

Thanong was charged by a US court of smuggling a large amount of marijuana into the US. The allegation forced him to resign from Parliament.

This week the Cabinet agreed to ask the Attorney General's Office to process the US request through the Thai court.

Though the Cabinet stopped short of announcing it favoured the politically-sensitive request, some observers believed the Cabinet move signalled the Thai government's intention to cooperate. But Kuthep said the US government might believe that the government here was not willing to cooperate with the US on this matter, and, hence, the warning to tourists was given in retaliation.

Thailand's image has been tarnished by this warning, Kuthep said. However, the Cabinet decision on Thanong was made on Tuesday, while the US gave its warning earlier, on Saturday.

Kuthep added that Attorney General Khanit na Nakhon has confirmed that the government has the authority to extradite criminal suspects.

Although the government made its decision to allow the extradition, it can still ask the court to re-consider whether Thanong can be sent to the US.

"The fact that the government did not make a decisive decision on the extradition shows that they are not sincere (in drug suppression)," Kuthep said.

"It seems that any suspects who have dealt in drugs in other countries can live scot-free in Thailand," he said.

He said he will raise this issue with his committee at a meeting next Wednesday.

Asked if the committee will invite Foreign Minister Thaksin Chinnawat to give information concerning the issue, Kuthep said although the committee would like to invite the minister, he may not accept the invitation.

The committee has several times invited Thaksin to appear before them, but the invitations were all rejected. "It shows the minister does not pay any attention to the work the committee does," he said.

—Khun Sa sent a letter to a newspaper office in the North yesterday claiming that the Burmese government had been under US pressure to stifle ethnic minority groups along the border. He said in the letter to the Krungthep Thurakit office that his Shan state was a "lucrative area which many parties are wanting to exploit." He claimed that calls by his group for United Nations intervention in the minority problems in Burma have fallen on deaf ears.

"Since we have been unable to live a better life, we have to go on fighting and producing drugs," he said.

### Chinese Military Delegation Arrives for Visit

*BK1801065595 Bangkok XING XIAN RIBAO in Chinese 17 Jan 95 p 12*

[FBIS Translated Text] A nine-member Chinese military delegation led by General Fu Quanyu, director of the General Logistics Department of the Chinese People's Liberation Army, arrived in Bangkok yesterday for a week-long friendly visit.

Fu Quanyu visited Pakistan and Bangladesh for 10 days before coming to Thailand. His entourage includes Lieutenant General Fu Bingyue, deputy commander of Lanzhou Military Region and concurrently commander of Xinjiang Military District; Major General Liang Hongshao, assistant to the directors of the General Logistics Department; Major General Zhang Maohai, deputy director of the Foreign Affairs Bureau of the Ministry of National Defense; and Major General Chen Yichun, chief of the Quilin Army Academy.

Fu Quanyu will today hold talks with Supreme Commander General Watthanachai Wutthisiri, who visited China earlier this month.

According to a source, the Chinese and Thai military leaders will exchange views on expanding military exchanges and issues of mutual concern, such as the Cambodian situation and the Burmese issue.

Later on the same day, General Fu Quanyu will pay a courtesy call on General Wimon Wongwanit, Army commander in chief; and Foreign Minister Thaksin Chinnawat. He will call on Prime Minister Chuan Likphai and Defense Minister General Wichit Sukmak tomorrow.

The Chinese military delegation will also visit U-Taphao naval base on the Eastern Seaboard and the southern provinces of Phuket and Phangnga.

Thailand has been buying Chinese military hardware in recent years. There have been frequent exchanges of visits between military leaders of the two countries.

### Meets With Supreme Commander

*BK1701153595 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 17 Jan 95*

[FBIS Translated Text] Supreme Commander General Watthanachai Wutthisiri has received General Fu Quanyu, director of the General Logistics Department of the Chinese People's Liberation Army, at the Supreme Command Headquarters. The Chinese officer is on an official visit to Thailand as the guest of the Supreme Command. The supreme commander accorded him a warm welcome and exchanged views with him on several topics.

### Malaysia Warns Thai Muslim Separatists in South

*BK1601092095 Bangkok BANGKOK POST in English 16 Jan 95 p 1*

[FBIS Transcribed Text] The Malaysian Government has for the first time given a clear warning to Thai Muslim separatists living in Malaysia to halt terrorist activities against Thailand or face expulsion, according to an informed Thai security source.

The unprecedented move by the Malaysian Government was welcomed by a leading official of the National Security Council. He expressed confidence that joint development efforts to spur economic development in the southernmost area under the Indonesia-Malaysia-Thailand Growth Triangle would materialise sooner if terrorism could be wiped out from the area.

The security official said Malaysia's Special Branch recently told separatists who have taken political refuge in Malaysia further acts of terrorism would not be tolerated and tough measures would be taken against separatists who failed to heed the warning.

Malaysia is known to be a safe haven for leading terrorists from a number of separatist movements including the mainstream PULO (Pattani United Liberation Organisation), BRN (Barisan Revolusi Nationale) and the Mujahedeen.

Among key terrorist leaders in Malaysia are BRN (Ulama) leader Abdul Garim; BRN (Congress) leader Jae Kupeng or Rasoh Boo-rasor; leader of the New PULO Dr Ar-rong Moo-reng and his deputy Hadi Monoh and Sama-e Thanam.

The security official said as long as there was no peace in the southern-most provinces it was unlikely that Malaysian Premier Mahathir Mohamed's initiatives to foster subregional economic cooperation in the area could be effectively implemented.

"If the area was stable and free of violence there is no doubt that all members in the Growth Triangle would directly benefit," commented the NSC official.

Ties between Malaysia and Thailand have strengthened as a result of mutual cooperation during the past years highlighted by the extradition of Al-Arqam leader Ash-aari Mohammed whose teaching was deemed by the Malaysian government as a threat to national security, the official said.

"Without assistance from Malaysia it is unlikely that terrorism in the southernmost area could be effectively rooted out," said the official.

Asked about the attempt to seek amendment to the Thai-Malaysian border treaty—ratified in 1965—to which Thailand has proposed that Malaysia accept joint suppression of all kinds of terrorism along their common border, the security official said the issue has not yet been settled.

"Theoretically there might still be problems but practically we have great cooperation and this is very important. Malaysia's latest move on the terrorists is unprecedented," said the security official.

Because of pressure from Malaysia a number of separatist movements have agreed to merge under one umbrella called "Berzatoo" and the possibility of one last desperate move in the southernmost area could not be ruled out, he said.

He had been told Malaysia would begin to get tough with Thai Muslims who hold dual citizenship by urging them to choose between Thai or Malaysian nationality, the official said.

Thai Muslims holding dual nationality have been a constant security problem for Thailand in the past.

#### Thaksin Defends Chuan on Australia Trip Decision

BK1801040095 Bangkok *THE NATION* in English  
18 Jan 95 p A2

[FBIS Transcribed Text] Foreign Minister Thaksin Chinnawat said yesterday that the postponement of

Prime Minister Chuan Likphai's visit to Australia had nothing to do with his ministerial qualifications.

Thaksin said Chuan had asked Deputy Foreign Minister Surin Phitsuwan to go to Australia and explain why the trip had been postponed. He said Chuan reasoned that he was preoccupied with the recent government reshuffle and the constitutional amendments. He said no problems would arise if he resigned from his position as his deputy, Surin, would accompany the prime minister on overseas visits in his place.

Thaksin also asked reporters to "take it easy" concerning Chuan's order that Cabinet secretary-general Wisanu Khrua-ngam examine whether Cabinet members meet the new constitutional requirements. Wisanu just asked for information on his background the day before, Thaksin said.

He said he had asked his aides to prepare the documents and would discuss the issue with the secretary-general at yesterday's Cabinet meeting. He said he knew what he was doing and what he would do next.

He said he was still qualified for the ministerial post, as the new Constitution had not yet taken effect.

The new Constitution prohibits Cabinet ministers from being a party to monopolistic contracts or deals with government agencies or state run enterprises that may put them in a position where there is a conflict of interest.

Asked about the serious accusations levelled against Thailand by foreign governments, especially concerning alleged support for the Khmer Rouge, the foreign minister said the government must be serious in dealing with these allegations and improve its image to avoid repetition of such problems in the future.

He said an effective public relations campaign was needed but there was not enough budget for such a programme. He asked for more time to deal with these problems.

Deputy Foreign Minister Surin Phitsuwan yesterday said he would travel to Australia on Tuesday night (last night) to explain the reasoning behind the postponement of Chuan's official visit. This was to "honour" the Australia government as it was the third time a visit there has been postponed.

He said the trip would be postponed indefinitely until the Australia government sends a new invitation.

Surin said Chuan would explain his reasons for the cancellation on Friday when he returned from Australia. He also asked the public not to "guess" the reasoning behind the postponement or to link it to anything as that might lead to a straining of relations between Thailand and a second country.

#### Article Considers 1995 Relations With Cambodia

BK1701120195 Bangkok *THE NATION* in English  
17 Jan 95 p A6

[Article by Marisa Chimprapha: "Tougher Stance on Cambodia Likely in '95"]

[FBIS Transcribed Text] Thailand's handling of Cambodian coup fugitive Gen Sin Song represents a departure from its usual foreign policy implementation, which has been criticized as being too defensive.

It was surprising to learn that the Foreign Ministry advised the Cabinet that Sin Song's case is a political offence, not criminal. Thai Prime Minister Chuan Likphai agreed with the foreign ministry's assessment that Sin Song should be allowed to go to asylum in a third country, despite repeated demands from Phnom Penh that Thailand send him back to face Cambodian justice.

There seemed to have been strong indications in the past few months, since the general's arrest in Bangkok, that Thailand would send him back to face justice as demanded by the Cambodian government.

Even Chuan himself told reporters shortly after the arrest of Sin Song that the general would be deported to wherever he came from. Sin Song was arrested in early November, shortly after Cambodia's military court convicted the 14 Thais implicated the coup attempt but suspended the penalties.

Thailand has consistently compromised on its policies towards Phnom Penh for the past several years, and the foreign ministry has been urged to adopt more offensive methods.

Bangkok's approach to Cambodia-related issues has been on the basis that it is a war-torn country suffering from decades of civil war. It is in need of complete rehabilitation while its warring factions require encouragement to work for national unity.

Bilateral conflicts, however, have still hit the front pages of the press, mostly prompted by Cambodia's criticisms and allegations against Thailand.

Nevertheless, in the Sin Song case the foreign ministry recommended the government allow the general to go to a third country, without regard for the already-shaky relations between the two countries.

Foreign Minister Thaksin Chinnawat said he had been informed that Cambodia understands and would respect the decision, although it had wanted Sin Song deported.

The decision also put Thaksin's International Broadcasting Corporation on the line as the firm is still having operational problems with the Cambodian government.

Some observers said that the Thai government could no longer tolerate the crises prompted by the Cambodian side which usually claimed Thai lives and property. Memories are still fresh of the tragedy late last year on Cambodian territory when 22 Thai workers were massacred in Preah Vihear province.

The Phnom Penh government pointed the finger at the Khmer Rouge and failed to give further information about the incident.

Second Army Region Commissioner Gen Surayut Chunnanon recently said there is no firm information that the Khmer Rouge was responsible. "When the fingers are pointed to the Khmer Rouge, no one could manage the situation," said the general.

Moreover, the Cambodian government ordered the termination of landing rights of a Thai-owned airline without advance notice, to clear the runways for Royal Air Combodge, which has Malaysia as shareholder. The termination came after series of reviews of Thai investment in Cambodia.

An observer monitoring relations between the two countries told THE NATION that Sin Song's presence in Thailand had fuelled existing suspicions that some Thai groups were involved in the coup attempt in July. The case became more incriminating when police issued an arrest warrant for a former MP of the New Aspiration Party Adun Bunset, for allegedly helping Sin Song enter Thailand.

It is known that Chuan learnt Sin Song had crept into the country and the prime minister himself ordered the National Intelligence Agency (NIA) and the police to arrest Sin Song, without informing then Interior Minister Gen Chawalit Yongchaiyut.

The premier intentionally kept Gen Chawalit in the dark about the arrest, the government source said, adding without elaboration that the premier know all the facts with help from the NIA.

The northeastern provinces, including those bordering Cambodia, are a stronghold of the New Aspiration Party. Many of its MPs have gained large incomes from lucrative logging businesses in Cambodia. These operations are, however, seriously affected by Cambodia's ban on logging although the country has provided a period of grace for the extraction of logs cut before the ban came into effect.

A Cambodian diplomat said in Bangkok that there was certainly a Thai role in the coup attempt which was motivated by the "revenge of Thailand's private sector" which had been affected by Cambodia's restructuring of policy. But it was a "private" involvement, he said.

At the time of discussions about Sing Song's fate, Gen Chawalit indirectly showed that he preferred to comply with international law that would allow Sin Song to go to a third country.

Chuan then called for Cambodia to hand over the Phnom Penh court verdict on Sin Song as Bangkok was not sure that the general had committed either a political or criminal offence against the Cambodian government.

Chuan is known for his enthusiasm for laws and regulations, but he said he wanted to see the court verdict before making any decision. It is widely known that Sin Song was convicted in absentia to 20 years imprisonment for involvement in the coup. Although he was

believed to have planned to assassinate the Cambodian leaders, his ultimate aim was to take political power.

Therefore, observers raised doubts as to why Chuan dragged his heels on the matter. Thailand's position became clearer with the Foreign Ministry's suggestion on Bangkok's position, which was revealed shortly after Gen Chawalit and his party resigned from the coalition government.

A high-ranking Foreign Ministry official recently said that Phnom Penh did not really want the return of Sin Song. The general is believed to be the only one who knew who was really behind the coup attempt and his return home would put in danger those who took part in the coup but remain in power.

Another alleged coup leader, who denied any involvement, Prince Norodom Chakrapong, has already gone into asylum in France.

Another senior Foreign Ministry official recently revealed that Thailand had taken a tough line during negotiations for the release of the 14 Thais rounded up in July at Pochentong airport, Phnom Penh, for alleged involvement in the failed coup.

"We informed the Phnom Penh government that we would cut off bilateral ties, close down the Thai embassy in Phnom Penh and pull out our officials from Cambodia if it failed to make the arrests of the 14 Thais more transparent, and on whether to charge or to free them," said the official.

Cambodia had dragged the case on for months without filing any charges against the detained Thais. It provided a rare opportunity for Thai ambassadors and embassy officials to visit the detainees.

"Despite strong memorandums sent through Bangkok-based Cambodian Ambassador Roland Eng, Cambodia remained silent on what it would do with the Thais. The Foreign Ministry's Permanent Secretary Pracha Khunakasem's visit in the capacity of special envoy could do nothing to solve the matter," he said.

#### Editorial on 'Love-Hate' Relations With Cambodia

*BK1601070895 Bangkok THE NATION in English  
16 Jan 95 p A6*

[Editorial: "Ghosts of Khmer Rouge Aid Have Yet To Be Laid To Rest"]

[FBIS Transcribed Text] Thailand's recent efforts to befriend Cambodia have resulted in failure because of a seemingly endless series of bilateral disputes and conflicts.

This kind of love-hate relationship is not new as the two countries share a long history of friendship and hostility but unfortunately these memories continue to form the

backdrop for diplomacy and both countries still clash regularly over how to defend their national interests.

But in addition to this traditional misunderstanding and mistrust, relations are currently also-being hamstrung by the Khmer Rouge—a group of Cambodian guerrillas who have been outlawed last year by the elected coalition government in Phnom Penh and who now constitute the main test of Thai sincerity towards its eastern neighbour.

Phnom Penh has every reason to doubt its powerful neighbour of its policy towards Cambodia. Thailand was the strongest supporter of the tri-partite Cambodian resistance movement which fought the Vietnam-installed Hun Sen government in Phnom Penh for over a decade. The core of the movement at that time was none other than the hated Khmer Rouge which continues to fight against the Cambodian government which emerged from the 1993 UN-organized general elections.

The Khmer Rouge has not only refused to recognize the coalition government, but also continues to jeopardize national security and stability through the use of force and threats.

Thailand, which called for national reconciliation among the rival Cambodian factions including the Khmer Rouge, was seen as the only defender of the group when Phnom Penh tried to pass a bill to outlaw the group. Bangkok's argument was that the Khmer Rouge was a party to the decade-long arms conflict and had to be a part of the comprehensive peace settlement outlined by the United Nations.

Last year a number of incidents involving the Khmer Rouge put Thailand in a bad light—the kidnap and killings of Western hostages, urban acts of terrorism, and allegations of support and sanctuary to the guerrilla forces when the Cambodian government launched a heavy offensive to capture their headquarters in Pailin. Thailand was implicated in most of the events.

The Thai military's refusal to talk with the Khmer Rouge to help secure the hostages' release through its argument that Thailand had cut all its communication channels with the group did little to convince the international community or win many friends.

Although Australian Foreign Minister Gareth Evans accepted last October that his allegations of Thai support to the Khmer Rouge was based on outdated information acquired a few month earlier, he has not retracted his words. Canberra has been one of the strongest critics of Thai relations with the Khmer Rouge.

But the two most controversial issues that nearly broke the fragile relations between Thailand and Cambodia are perhaps the alleged involvement of Thai complicity in the abortive Cambodian coup last July and the massacre of 20 Thai loggers by a group of unidentified armed Cambodian forces.

The whole conspiracy and truth behind the coup are unlikely to ever emerge and it seems both the Cambodian and Thai administrations want their people to quickly forget the event.

The decision to suspend the jail sentences of 14 Thai workers, who were promised unusually high-paid jobs in Phnom Penh during the putsch, and allegations of involvement by some Thai officers in the coup have never been cleared up.

Although the Thai government called for an investigation into the allegation of Thai complicity in the coup attempt, it seemed the move was never intended as a genuine probe to find out the truth, but mere theatrics designed to appease the curious Thai public which suffered the national shame of accusations and was eager at that time to find out the truth behind the matter.

Likewise, the real culprits behind the brutal killing of Thai loggers late last year would never be exposed and the Thai public, if not the murdered ones' relatives, would soon forget about the tragic event.

Such unfortunate incidents, which have caused tremendous losses in lives and casualties, and the ongoing verbal war between Cambodia and Thailand has to stop.

Foreign Minister Thaksin Chinnawat was quick to proclaim last week after he took a group of 40 Bangkok-based diplomats on a one-day tour to the Thai-Cambodian border that he had dispelled any lingering doubt that Thailand supported the Khmer Rouge guerrillas.

But words are easier said than done and they have to be followed up with action. Suspicion cannot be laid aside over night and such a short trip does not mean that the world community now believes that Thailand has washed its hands of the Khmer Rouge.

Unless the Thai Government and the military, which is the prime suspect of abetting the guerrilla forces, can come up with a clear policy and concrete and comprehensive plans of action on how to deal with the Khmer Rouge, the issue of the guerrilla movement, which continues to operate from its hideouts along the porous and undefined border, will continue to be a thorn in bilateral Thai-Cambodian relations.

Some academics have even made the dim prediction that the two countries will never enjoy better relations and will continue to be a part of each other's domestic politics. We can only hope that they are proved wrong.

### Central Bank Plans 'Active' Role in Money Market

*BK1801035295 Bangkok BANGKOK POST in English  
18 Jan 95 p 30*

[FBIS Transcribed Text] The Bank of Thailand, learning a valuable lesson from last week's monetary crisis, is

planning to become active in the money market so that it can intervene before crises occur.

Noppamat Manolihakun, the chief spokeswoman of the Bank of Thailand, said the measure comes under the Open Market Operation scheme designed by the central bank's Banking Department.

The principle of the operation is that once problems occur in the money market the Bank of Thailand can go into the market and, giving priority to bonds, trade liquid assets with commercial banks to adjust liquidity. This can be either accommodation or absorption of liquidity.

Some banks will be appointed as primary dealers for bond transactions with the central bank. The central bank cannot trade bonds with all financial institutions because of the complexity of account clearing, she said.

Suphot Kittisawan, senior director of the Bank of Thailand's Banking Department, said the Open Market Operation scheme will enable the central bank to intervene faster.

The central bank will be able to implement the scheme; it has the authority to do so and is considering appropriate mechanisms, he said.

The Bank of Thailand is also considering developing the private secondary bond markets, because the Open Market Operation scheme will be effective only if there are sufficient bonds and secondary markets to support it, he said.

There are bonds worth altogether 200,000 million baht in the market, 170,000 million baht of which are guaranteed by the Finance Ministry.

Mr Suphot said this amount of bonds is sufficient, but the problem is that most are in the hands of just a few banks.

Mrs Noppamat said that although the Bank of Thailand is considering new intervention measures, existing measures, including interventions through the loan window, the repurchase market and the swap market will remain because they were shown to be effective in resolving last week's crisis.

Ayut Kritsanamara, vice president and treasury department manager of Bangkok Bank, said the Bank of Thailand was appreciated for its efficiency in resolving the crisis in a short time. On the other hand, the central bank was blamed for being slow to come to a decision on whether to intervene, Ayut said.

The bank took the action a little too late, he said, causing the interbank rate to skyrocket to 50% in one go—the first time in the country's modern banking history that this has happened.

He said Friday's crisis was the most acute since the liberalisation of the country's financial system, and the

second worst in the country's history. The first, pre-liberalisation, crisis was in 1983 when there was a devaluation of the baht.

He said that as the central bank's move is considered to have come a little late, it will have to undergo a serious review of the mechanisms at its disposal for coping with crises.

He said the Bank of Thailand is always late to act as a player in the market. It prefers to let financial institutions adjust, and acts only after the institutions find they cannot cope with a worsening situation.

This is unlike the part played by the central banks of other countries, which act as players in the market once the problems occur, Mr Ayut said.

Yesterday's money market situation was normal, with no liquidity shortfall, Mrs Nopphamat said. However, the central bank will continue to monitor the situation for a few days and will stop its operations to intervene through the swap market.

The interbank rate yesterday moved in the range of 11-13% per annum, and the foreign exchange rate was in the 25.067-25.085 baht range. The mid-rate fixed by the Exchange Equalisation Fund was 25.05 baht a dollar.

Mrs Nopphamat said operations in other markets will be unchanged, as it is approaching the Chinese New Year season during which demand for money will once again be high. The central bank is planning for the market to be able to accommodate about 40,000 million baht during the festival.

### Vietnam

#### Communiqué Issued on Ranariddh's Visit

BK1801043195 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 17 Jan 95

[Press communiqué on the 15-17 January visit to Vietnam of Cambodian Premier Ranariddh]

[FBIS Translated Text] 1. At the invitation of SRV Prime Minister Vo Van Kiet, the first premier of the Government of the Kingdom of Cambodia, Prince Samdech Krompreah Norodom Ranariddh, paid a working visit to Vietnam from 15-17 January 1995.

2. While in Vietnam, the first premier of the Government of the Kingdom of Cambodia, Prince Samdech Krompreah Norodom Ranariddh, was warmly received by and had cordial talks with Do Muoi, general secretary of the Communist Party of Vietnam; and Le Duc Anh, SRV president.

3. SRV Prime Minister Vo Van Kiet held talks with the first premier of the Government of the Kingdom of Cambodia, Prince Samdech Krompreah Norodom Ranariddh. The talks took place in an atmosphere of friendship and mutual understanding, reflective of the

aspirations of both sides for consolidating and developing the fine relations of friendship and cooperation between Vietnam and Cambodia.

4. SRV Prime Minister Vo Van Kiet warmly welcomed the working visit to Vietnam of the first premier, Prince Samdech Prompreah Norodom Ranariddh, and regarded it as an important event that would contribute to further strengthening the mutual understanding and the good-neighborly relations of friendship and cooperation between Vietnam and Cambodia in the interests of the two peoples and for the sake of regional peace, stability, cooperation, and prosperity.

5. The two sides took notes of new developments in their bilateral relations since the August 1993 visit to Vietnam of Cambodia's two co-premiers and the April 1994 visit to Cambodia of Prime Minister Vo Van Kiet. The two sides exchanged views on specific measures aimed at strengthening their mutual understanding and promoting their cooperative relations in various domains as well as resolving the remaining problems on the basis of those principles already outlined in various joint Vietnamese-Cambodian communiques in January 1992, August 1993, and April 1994, which call for respect of each other's independence, sovereignty, and territorial integrity; noninterference in each other's internal affairs; nonuse of force or threats to use force; resolution of all problems arising in their bilateral relations through peaceful negotiations; equality and mutual benefit; and peaceful coexistence in the interest of the two peoples and for the sake of peace, stability, cooperation, and prosperity in Southeast Asia.

6. Along this direction, the two sides will promote high-level political contacts in order to expand cooperation in various domains aimed at creating favorable conditions for the expansion of trade and economic cooperation under various forms.

The two sides agreed to convene a meeting of the Joint Committee on Economic, Cultural, Scientific, and Technological Cooperation in the near future.

The two sides agreed to continue implementing an agreement on the transit of goods signed on 3 April 1994 and to revise some clauses of this agreement to suit international law and practice and each country's laws and regulations, as well as the interests of both sides.

The two sides also agreed to hold talks on signing a transport agreement at an early date to create conditions for the transport of goods between the two countries.

The Cambodian side highly appreciated Vietnam's continued acceptance of Cambodian students for study in Vietnam as well as Vietnam's efforts to create favorable conditions for these students to live and study in Vietnam.

The two sides agreed to continue their talks on cooperation in the educational and training domain in accordance with an agreement on cultural, educational, scientific, and technological cooperation signed on 3 April 1994.

The Vietnamese Ministry of Education and Training and the Cambodian Ministry of Education and Youth signed a protocol on education and training for the 1994-95 academic year.

7. The Cambodian side gave explanations on Cambodia's immigration law and reasserted Cambodia's pledge that this law will be applied to all foreign residents now living in Cambodia and will not be aimed at confining or deporting en masse Vietnamese nationals and other foreign residents from Cambodia. The Cambodian side will try to do everything it can in conformity with Cambodian law and regulations and within its capacity for ensuring the safety of Vietnamese nationals and other foreign residents in Cambodia.

The Vietnamese side took note of and hailed the explanations and commitments made by the Cambodian side.

In this spirit, the two sides agreed to hold a meeting of the working group made up of experts of the two countries to discuss and resolve the issue of Vietnamese nationals in Cambodia on the basis of respect for Cambodia's law and regulations and international law and practices. This meeting will be held in February 1995 at a venue convenient to both sides.

The two sides agreed to resolve as soon as possible the issue of Vietnamese nationals in Chrey Thom and to promptly find a solution to the issue of Cambodian refugees in Vietnam.

The two sides agreed to hold talks and sign an agreement on consular affairs.

8. The two sides reasserted their desire to turn the border between the two countries into a border of long-lasting peace, friendship, and stability so as to contribute to developing the good-neighborly, cooperative relations between the two countries.

The two sides agreed, pending the resolution of the outstanding border issues, to maintain the existing management without changing or moving border markers, to educate their people not to make encroachments on each country's territory for farming or settlement, and to achieve cooperation in maintaining order and security along the border.

In this spirit, the two sides unanimously agreed to allow their respective local authorities to meet and make arrangements to maintain border security and stability.

The two sides also unanimously agreed on the establishment of a mechanism at the central level for border management and control to prevent smuggling and criminal activities and other negative phenomena.

The two sides reaffirmed their agreement to establish a working group of experts to discuss and resolve the issue of boundary demarcation concerning the borderline between the two countries.

9. The two sides hailed the signing of various agreements to promote the long-lasting development of the Mekong River Basin in Hanoi on 28 November 1994 and believed that the signing of these agreements will contribute to further promoting the cooperation among countries along the Mekong River in the interests of the countries concerned.

The two sides unanimously agreed to hold talks to reach an agreement at an early date on cooperation on the Mekong River in conformity with the spirit of this agreement.

10. The two sides noted with pleasure recent positive changes in Southeast Asia and hailed efforts to promote dialogue, strengthen cooperation and mutual understanding, and resolve differences and disputes through peaceful negotiations.

The two sides affirmed their desire to broaden their cooperation with all countries and the ASEAN on the basis of respect for each other's independence, sovereignty, and territorial integrity; noninterference in each other's internal affairs; and equality and mutually-beneficial cooperation.

11. The two sides noted with satisfaction the positive results of their many talks, which took place in an atmosphere of friendship, mutual understanding, and mutual trust.

The two sides believed that the results of this visit will generate a new momentum for developing the traditional friendly relations and all-round cooperation between Vietnam and Cambodia.

Prince Samdech Prompreah Norodom Ranariddh, first premier of the Government of the Kingdom of Cambodia, expressed his sincere thanks for the warm welcome and hospitality accorded by the government and people of Vietnam to his delegation during its stay in Vietnam.

12. Prince Samdech Krompreah Norodom Ranariddh, first premier of the Government of the Kingdom of Cambodia, invited SRV Prime Minister Vo Van Kiet to pay a working visit to the Kingdom of Cambodia. The prime minister accepted this invitation with pleasure. The specific timing for this visit will be arranged through diplomatic channels.

Hanoi, 17 January 1995

#### Radio Views Results of Visit

*BK1801140095 Hanoi Voice of Vietnam in English  
1000 GMT 18 Jan 95*

[Station commentary]

[FBIS Transcribed Text] The high-level delegation of the Cambodian Royal Government led by First Premier

Ranariddh left Hanoi on Tuesday afternoon after a successful visit to Vietnam. The Voice of Vietnam comments this:

It was the second visit to Vietnam by Mr. Ranariddh since he took power after the general election of May 1993 and foundation of the Royal Government of Cambodia in August 1993.

The Cambodian delegation was received by Vietnamese leaders who viewed the visit as a further manifestation of the development of bilateral relations. Prime Minister Ranariddh asserted that the Royal Cambodian Government wanted to strengthen and develop friendship, good neighborliness, and multifaceted cooperation with Vietnam.

Talks were held between the two prime ministers. A press release was issued at the end of the Vietnam visit by the Cambodian delegation. The two sides acknowledged new developments in the bilateral relations following the visit to Vietnam by the two co-premiers of Cambodia in August 1993 and the official visit to Cambodia by Prime Minister Vo Van Kiet in April 1994.

The two sides discussed specific measures to be taken to improve mutual understanding and enhance bilateral cooperation. They also want to solve pending problems on the basis of the principles stipulated in the joint Vietnam-Cambodia communiques signed in January 1992, August 1993, and April 1994.

In this spirit, the two countries want to set up high level political contacts to broaden cooperation and trade in various forms. The two agreed to soon convene a meeting of the Joint Commission on Economic, Cultural, Scientific, and Technological Cooperation.

Both sides will continue to implement the agreement on the transit of goods signed in April last year and to amend sections of the existing agreement to be relevant to the international laws and practices and in the interests of each nation. Vietnam and Cambodia will soon negotiate an agreement to facilitate the transit of goods.

Cambodia said it highly appreciated Vietnam's permission of Cambodian students to attending its institutions and will continue to discuss further cooperation in education and training.

Cambodia elaborated on the newly adopted immigration law and asserted that the law will be applied to all foreign residents in Cambodia rather than being aimed at expelling overseas Vietnamese en masse. Cambodia pledged to do everything possible to ensure the safety of Vietnamese residents as well as other foreign residents in Cambodia. As a result, the two sides will hold a meeting to discuss and solve the question of overseas Vietnamese in Cambodia on the basis of respecting Cambodia's and international laws and practices.

The two sides will strive to resolve as soon as possible the issue of the Vietnamese residents in Chrey Thom and to

find the solution to Cambodian refugees in Vietnam. Both will negotiate on the consular agreements.

Vietnam and Cambodia reaffirmed their desire to build the common border into one of peace, friendship, and lasting stability. Both agreed that, pending a settlement of existing problems on the border issue, both will abstain from changing the current control system and from moving the border markers as the team of both sides will meet to discuss border delineation.

Both sides welcomed the initialing of the agreement on sustainable development of the Mekong Basin signed in Hanoi last November, and said the initial signing of the agreement will contribute greatly to cooperation among Mekong River countries.

Both acknowledged recent positive changes in Southeast Asia and expressed elation at the positive result of negotiations in the spirit of friendship, mutual understanding, and trust.

Prime Minister Ranariddh invited Prime Minister Vo Van Kiet to Cambodia and the invitation has been accepted. The date will be arranged through diplomatic channels.

#### **Greetings Exchanged With PRC on Anniversary**

*BK1801020395 Hanoi VNA in English 1442 GMT 17 Jan 95*

[FBIS Transcribed Text] Hanoi VNA Jan. 17— Vietnamese Prime Minister Vo Van Kiet and State Council Premier of China Li Peng yesterday exchanged messages of greetings on the occasion of the 45th anniversary of the establishment of diplomatic relation between Vietnam and China.

#### **45th Anniversary of Diplomatic Relations Marked**

*BK1701142295 Hanoi Voice of Vietnam in English 1000 GMT 17 Jan 95*

#### **[Station commentary]**

[FBIS Transcribed Text] Forty-five years ago, on January 18 in 1950, Vietnam established diplomatic relations with China, the former Soviet Union, and a number of other people's democratic states. This day became the opening day of official diplomatic relations for Vietnam. Since then, Vietnam has recorded a number of achievements of great significance. From a colonial country whose name was not well known on the world map, Vietnam has become well known worldwide. By now, Vietnam has established diplomatic relations with 152 countries and has trade and economic relations with over 100. Vietnam has also become an active member of the Nonaligned Movement and the United Nations. At the reception to Vietnamese Foreign Minister Nguyen Manh Cam late last year, the United Nations secretary general highly appreciated Vietnam's achievements in the reform process and its foreign policy and welcomed Vietnam's cooperation with the United

Nations. The UN secretary general held that Vietnam plays an important role at important international forums.

In recent years, Vietnam has stepped up its activities in Southeast Asia and is actively preparing to become a full member of ASEAN. Vietnam is now a member of the Pacific Economic Cooperation Council and has actively taken part in activities this council, and is ready to join the Asia-Pacific economic council as an observer. As from this year, Vietnam will be a full observer of GATT and is prepared to be a full member of the World Trade Organization. Worthy of note is that at present Vietnam has relations with a number of international financial organizations after many years of interval. Late last year, the conference of donors for Vietnam held in Paris committed to grant the country \$2 billion in aid.

Vietnam's external relations activities during the last 45 years have resulted from the Vietnamese people's protracted struggle and the courageous foreign open door policy. These diplomatic activities have been appreciated by the Vietnamese party and state. The government's report late last October affirmed that in recent years the Vietnamese people have tried hard to attain important achievements, enabling economic growth and ensuring political stability, thus strengthening Vietnam's role in the international arena. Vietnam's recent achievements have encouraged more overseas Vietnamese to return home to join efforts to build the country and attract more foreign investors. However, the party and state deemed that Vietnam's diplomatic activities need to be further renovated to catch up with deep changes and the balances in Southeast Asia and the rest of the world upon approaching the 21st century.

In his article marking the 45th anniversary of the establishment of Vietnam's diplomatic relations, Mr. Dinh Nho Liem, a well known Vietnamese diplomat, said that at the age of 50 the powerful Vietnam on the coast of the Eastern Sea will try to contribute to peace, stability, cooperation, and development for its own interest and for the interest of the world people's revolutionary cause.

### Prime Minister Issues Decree on Military Service

BK1801125995 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 18 Jan 95

[FBIS Translated Text] The prime minister has issued Decree No.03-CP on temporary deferment or exemption from military service during peacetime for youths of the state volunteer force, government cadres, and those working in areas fraught with difficulties.

The decree points out: During peacetime, temporary deferment of military service will be granted to male citizens of military age belonging to the following categories:

1. Male citizens who are attending general education schools or training centers with the required schooling period of 12 months or more, or vocational training

schools, vocational middle schools, colleges, college preparatory schools, universities, and mainstream classes which, under public, semi-public, government, or privately run systems, have been set up in accordance with the directives of the government or ministries, ministerial-level organs, government organizations, central-level sectors, and/or those provinces and cities under the central authority. These citizens will only be granted temporary military deferment for the term of the given course. If they pursue another course after graduation, they will not be granted temporary military deferment.

When reporting for schooling, male citizens of military age must bring along and submit their military registration cards to the schools. The headmasters of these schools and the district, precinct, town, and city military commands of the provinces where the schools are located are responsible for ensuring the adequate submission and management of student military registration cards.

2. School teachers, health workers, and youths of the state volunteer force, who are working for government organs and social and economic organizations; and school teachers, health workers, assault youths, and cadres of various political and social organizations who, employed from other localities to work in high-lying and almost inaccessible border areas, with area allowances from Level-5 and above and in those off-shore islands with area allowances from Level-3 and above as stipulated in Circular No.15-LD/TB/XH/TT, dated 5 June 1993, of the Ministry of Labor, War Invalids, and Social Welfare.

Exemption from military service during peacetime will be granted to male citizens who are youths of the state volunteer force, government cadres and workers, cadres of various political and social organizations and who have had at least 24 months of service or more in high-lying and almost inaccessible border areas and offshore islands with area allowances as cited in Item 2 of Article 1 [as heard] of this decree.

This decree is effective from the date it is signed.

### \* Article Comments on Party Inspection Work

952E00404 Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Oct 94 pp 15-19

[Article by Senior Colonel Do Bang Quyen]

[FBIS Translated Text] After more than two years of implementing things in accord with Communist Party of Vietnam [CPV] statutes (passed at the Seventh CPV Congress) and Directive 195/DUQSTU [Central Military Party Committee], party inspection work in the military party organization has been renovated. Party inspection work is adhering to the political tasks and to the task of renovating and reorganizing the party, it is being developed in all respects, and the focus is on purifying and improving the combat strength of the party organizations, implementing the party's lines and

resolutions and the principle of democratic centralism, manifesting the effectiveness of the command system and functional organizations in implementing the resolutions of one's party committee echelon and the resolutions and directives of higher echelons in accord with the functions and responsibilities, and strengthening internal relations at all echelons in the military and relations with the people. The relationship between democracy and discipline is being handled well in the military, a regular way of life and conduct is being developed, and political equality for all people is being implemented.

The resolution of the Third Plenum of the CPV Central Committee, Seventh Term, pointed out that "renovating and reorganizing the party is aimed at improving the leadership capabilities and combat strength of the party in accord with the objective requirements of our country's revolution in the new situation, purifying the ranks of cadres and party members, and ensuring that the political tasks put forth at the seventh congress are implemented effectively." Imbued with this spirit, Resolution 79 of the Central Military Party Committee states that "thoroughly understanding and resolutely implementing the resolution of the CPV Central Committee with respect to renovating and reorganizing the party in accord with the military situation and tasks is a key issue in order to build the party organization and build a military that is strong in all respects, that has the capability to take action, that has high combat strength, and that can ensure that the political tasks are carried out in the new situation, both now and over the long term in any situation."

Party inspection work has adhered to the above requirement, studied and made use of this in practice, and actively contributed to successfully carrying out the party renovation and reorganization tasks in the military.

Party inspection is a very complex and difficult task. This is because this has to do with people, and understanding people is certainly not easy. Because of this, party inspection requires people to be truly objective, scientific, impartial, prudent, patient, unbiased, and unimpressionable and to remain unaffected by the evil motives of certain people. But the basic problem is to adhere to the primary tasks of party inspection as defined by the statutes of the seventh congress: "To inspect party members, including party members at the same party committee echelon, and lower-echelon party organizations to implement the principles of party organization and party life, to maintain the revolutionary quality and morals of party members, and to control the implementation of the work regulations by lower-echelon party committees..."

To implement this stipulation, the Standing Committee of the Central Military Party Organization has promulgated Directive 195/DUQSTU on inspecting party members and party organizations in the military party organization.

The targets of inspection are the same as those stipulated in the party statutes. However, the primary focus of attention must be those party members who have marks of disciplinary infractions or letters of denunciation, party committee echelon members and managing cadres at the various echelons, party members who work in places where negative phenomena can easily arise, weak party organizations that lack internal solidarity, and so on.

Controlling the implementation of the principle of democratic centralism is a very important theme that will contribute to ensuring that the party is truly a high combat organization with strict discipline.

The essence is to use the completion of the political and party building tasks and the functions and responsibilities of each party member and cadre to inspect things. The inspection process manifests democracy and elevates self-criticism and criticism in party activities. Ideas must be obtained from all echelons and from the masses. In inspection, manifestations of weakness on the part of party members must be analyzed by the various echelons to determine what is right and wrong and to fix responsibility. Depending on how serious the violation committed by a cadre, party member, or party organization, this must be dealt with promptly using suitable forms.

Through inspection, in general the party organizations and party members have a concept of respecting and implementing the principles in organizing party activities. They have adhered to and manifested the principle of democratic centralism in leading and implementing the political tasks and a number of other major tasks in the units. Many party organizations have high combat strength and good political leadership capabilities, and there is internal solidarity. Most party members have revolutionary qualities and morals and strong political viewpoints and positions, they have their sights firmly set on the socialist targets, and they are actively training and striving to satisfy the renovation requirements.

The various cases have been handled relatively well (including both existing cases and cases that arose just recently). Each year, more than 98 percent of the cases needing attention have been dealt with. Those party members who have committed disciplinary infractions have been reviewed by the party chapter on up. Complex cases involving many echelons and many people have been carefully determined by the inspection organizations. In cases in which they have not had all the factors, they have resolutely stopped and clarified things before reaching a conclusion. Emphasis has been placed on carrying out the ideological tasks well, with the motto being to persuade and struggle in order to get the violator to realize his shortcomings and create unity between the individual and the organization.

As for letters of denunciation related to a person's quality and way of life, when it has been determined that the letter is correct, the person has been dealt with

strictly and firmly. Through handling things, the various-echelon inspection committees have determined that 75.3 percent of the accusations were correct or partly correct, 21.2 percent of the accusations were incorrect, and 6.2 percent of the accusations had evil intentions. More than half of the letters that were signed were correct, and these were dealt with. In cases requiring disciplinary action, the violators were dealt with firmly, and those who were wrongly accused were absolved. Recently, in five cases, a number of units prosecuted people for intentionally making false accusations.

Disciplining people is always examined in comparison with completing the political tasks and task of renovating and reorganizing the party. The party committee echelons and various-echelon inspection committees have concentrated on dealing with serious cases, violations of the lines and policies of the party and the laws of the state, a decline in combat will power, corruption, smuggling, a lack of responsibility, acting like warlords with lower echelons, and so on.

But inspections have also shown that at a number of party committee echelons, the principles of party organization and life have not been carried out thoroughly. In some places, violations are still being committed (even by party members who are leading and command cadres), and some places have not correctly resolved the relationship between leaders and commanders, between the party committee collectives and the standing committees, or between commanders and secretaries. Because of this, the work has sometimes piled up. There is still a lack of internal solidarity at a number of party committee and command echelons. In some places and in some tasks, democracy is still formal in nature, and there is a lack of unified centralism. In the activities, the combat nature of a number of party organizations is still weak. In many places, the party committee echelons have not formulated work rules. There have been times when places have just begun drafting rules when preparing to inspect things. The party committee echelons lack concrete leadership regulations for a number of work spheres such as engaging in economic activities, managing materials, and carrying on financial activities. Some places have regulations but have failed to maintain order. This is one of the things that has resulted in a number of party committee echelons and party members violating the party's leadership principles.

In the face of the increasingly greater requirements of the task of reorganizing and renovating the party, building a revolutionary, regular, and well-trained people's army, and gradually modernizing the army, the quality of party inspection work must be increased, and this must achieve even greater results in order to provide good support for leading and building a pure and strong military party organization that can complete the tasks satisfactorily.

Because of this, party inspection work in the military party organization must continue to thoroughly understand and solve the following basic problems even better:

1. The leadership and command echelons must continue and regularly make an effort to increase their understanding concerning the renovation viewpoints and the position and effect of the inspection work of the party so that all party organizations and party members have a thorough understanding of this.

Inspection is one of the main leadership functions, an important element in party building, and a measure of organization and implementation. This is the regular task of every party committee echelon and every party member. Experience shows that at units and organizations where the party committee echelons, commanders, and inspection committees understand the positions and effects, regard inspection work as a regular task in their organization or unit, and have strict measures to organize and implement things, inspection activities will be orderly and effective.

Every party committee echelon and every cadre and party member must understand that inspection is a necessary activity of leadership. Leadership without inspection is tantamount to not having leadership. Inspection work is aimed at solidifying and maintaining party and military discipline and state law, building and maintaining the revolutionary qualities and morals of the party members, and solidifying and manifesting the roles and responsibilities of the members of the party committee echelons and various-echelon managerial cadres. Inspection work will also help the party organizations, above all the party committee echelons, clearly see the weak points in controlling, educating, and training the ranks of party members, particularly those party members who serve as managerial cadres and the members of the party committee echelons. This will help the party organizations understand the moral qualities, standards, and capabilities of each cadre subordinate to their party committee echelon, which will provide a basis for training and using these cadres. Inspection work is also aimed at solidifying and building pure and strong party organizations, handling the relationship between leaders and commanders and between higher and lower echelons better, contributing to solidifying the confidence of the masses in the party, and increasing the prestige of the party organizations and various-echelon managerial cadres. On the other hand, inspection work will help the various-echelon party organizations promptly discover and implement measures to provide education and block manifestations of people lacking a concept of party building and abusing democratic rights or manifestations that might, because of the personal motives of a number of cadres, party members, or people, lead to a loss of internal solidarity and a decline in the prestige of cadres and party members, cause turmoil for the organizations, and affect carrying out the political tasks of the units.

2. The political tasks and requirements of party building must be understood. Above all, there must be a thorough understanding of the resolution of the Third Plenum of the CPV Central Committee (Seventh Term) and Resolution 79 of the Central Military Party Committee on

renovating and reorganizing the party in order to carry out the contents of inspection work.

The goal of inspection work is to provide support for successfully carrying out the political tasks of the units, building party organizations, ranks of party members, and units that are strong in all respects and that have good leadership capabilities and high combat strength. This is the key problem that must be understood and used as a basis for ensuring that the contents and plans of inspection work are pointed in the right direction and in line with reality and that they are highly persuasive and capable of mobilizing the party organizations and party members in the units to actively and self-consciously carry out this work well.

Inspection activities must contribute to successfully implementing the resolutions concerning the 1994 national defense tasks, the task of renovating and reorganizing the party, and the task of building a regular army. The various-echelon inspection committees must coordinate things closely with the organizations, particularly the political organizations, and organize the synchronized expansion of inspection activities at the primary level. The inspection of party members and party organizations must be promoted and the results of this improved in accord with points 1 and 2 of Article 33 of the Party Statutes.

The contents of inspection with respect to party members must concentrate on the following: their ideological positions and viewpoints regarding the lines, positions, and policies of the party and state and the military tasks, their spirit of responsibility with respect to the functions and tasks assigned, and maintaining their revolutionary qualities and morals.

The contents of inspection with respect to party organizations must concentrate on the following: implementation of the principles of party organization and life, above all the principle of democratic centralism, collective leadership, and individuals sharing responsibilities; leadership capabilities and leadership organizations to implement the political tasks and party building work of the organization and unit party organizations; and solidarity, unity, and a combat nature in activities.

3. The party's inspection methods must be understood and implemented. Above all, resolute persuasion must be coordinated with conducting investigations and making determinations so that violators soon recognize their shortcomings.

Party members usually exhibit shortcomings and make mistakes in the process of trying to understand and implement the policies and positions of the party and state, the directives and resolutions of higher echelons, and the tasks of their units. Because of this, party members against whom charges are leveled are often people who hold positions of power and who hold leadership and command positions in the units. In some cases, because of personal envy or a desire to get revenge,

their accusers have fabricated stories, created bogus evidence, and even used demagogic methods and urged many others to make accusations in an effort to give this the appearance of a mass viewpoint in order to slander good party members and cadres. Thus, inspection work must resolutely strive to persuade and awaken the self-consciousness of the cadres and party members and get them to recognize their mistakes. At the same time, various ideas and the ideas of both the accusers and the accused must be looked into and studied carefully, much information must be gathered, and this information must be treated in a scientific manner. Inspection cadres must be honest and unbiased and they must adhere to the principles. They must not base things on emotional inferences, ideas that lack a factual basis, or unverified information in order to determine what the factual evidence or what the essence of the problem is and enable the inspection committee to reach a conclusion that no one can refute.

As for inspection methods, party members are to be inspected by the party chapters in conjunction with the 6-month and 1-year party member inspection activities. However, plans must be formulated from the very beginning of the year. Numbers are not important; rather, the key points must be determined. Party members who are party committee echelon members and managing cadres at various echelons are to be inspected during inspections of party organizations (party committee echelons or party committee echelon standing committees) made in conjunction with personal inspections of party members. These inspections are to be conducted by a higher-echelon party committee or inspection committee or by the party committee echelon itself under the guidance and direction of the higher-echelon inspection committee.

The guidelines, mottoes, principles, and procedures must be implemented well in examining things and resolving disciplinary cases, accusations, and disciplinary complaints based on the spirit of the viewpoint of the Standing Committee of the Central Military Party Committee, which is "to correct mistakes wherever they exist and protect those who have not done anything wrong."

4. Attention must be given to improving and strengthening the inspection committee and inspection cadre system. Above all, there must be a sufficient number of deputy chairmen, full-time committee members, and cadres directly involved in inspection work at the various echelons, and the emphasis must be on quality.

As stipulated by the Party Statutes (passed by the Seventh Congress), the tasks of the various-echelon inspection committees are very heavy, particularly their task of inspecting party members and lower-echelon party organizations to ensure that they "adhere to the principles of party organization and life, maintain the revolutionary qualities and morals of party members, and regulate the work of lower echelons." Furthermore, inspection work

must be carried on during the renovation period and during a time when the country is implementing a market economy. The functions of the military have expanded, and the nature of the tasks is often much more complex and varied than in the past. What this means for those involved in inspection work is that besides having good qualities and morals, they must also give attention to strengthening their political standards in general and their inspection standards in particular, including their knowledge concerning economic management, policies, and laws. Experience must be accumulated, and methods and styles must be renovated in accord with the realities of life.

Based on Directive 195/CTDU dated 30 December 1991 of the Standing Committee of the Central Military Party Committee and on the table of organization of cadres in the inspection sector of the General Staff, the echelons that submit proposals to the party committee echelons and commanders must organize and reinforce the inspection committee members and inspection cadres at their echelon so that there are sufficient people of high quality. Inspection cadres must be assigned on a long-term basis, and unnecessary changes must be avoided so that the cadres will have time to accumulate work experience.

According to professional data compiled by the inspection committee of the Central Military Party Committee, the various-echelon inspection committees have formulated effective plans to open short-term training classes for party committee echelon members and inspections cadres, particularly at the primary level.

The midterm conferences of party delegates (national and all military) have supplemented the contents of the new requirements in accord with the actual situation of the country and the entire military. The various-echelon inspection committees must adhere closely to the contents of those requirements, actively carry out the inspection tasks well, and contribute to renovating and reorganizing the party, building ranks of cadres and party members who are equal to the tasks, building honest and strong party organizations, and building a regular and more and more modern people's army that is ready to complete any task assigned by the party, state, and people.

#### \* Production, Trade of Explosives Examined

##### \* Facts on Illegal Trade

952E0043A Hanoi TAP CHI NANG LUONG in Vietnamese Oct 94 pp 5-7

[Article by Duong Thanh Bieu of the Supreme People's Organ of Control: "Explosives: The Real State of Affairs and Proposals"]

[FBIS Translated Text] The illegal use, trade, and keeping of explosives in the past and at present have developed in a complex and serious manner. In 1992,

1993, and the first six months of 1994 alone, the judicial organs accepted no less than 706 cases involving 1,235 suspects for trying. These cases included many unlawful sales and purchases of large amounts of explosives (for example, the trading of 40 and 30 tons of explosives by Thi Van Ty in Ho Chi Minh City and Ho Thi Than in Tien Giang Province respectively). Studies have shown that illicit trading of explosives has taken place in nearly all localities, but the most serious cases have been reported in those provinces that need explosives for coal, stone, and gold mining, and in the central coastal and southern provinces.

Regarding offenders, worthy of note is that, aside from the private traders specializing in the unlawful trade of explosives, a number of Army and public security officers have also taken part in the illegal trading and keeping of explosives. In a typical case, a number of private merchants in Ho Chi Minh City, acting in collusion with some officers of the General Department of National Defense Industry and Economy (the Ministry of National Defense), bought 70 tons of explosives in Cambodia and took them to Vietnam to sell unlawfully.

From our studies of various cases of illegal keeping, use, trading, and appropriation of explosives, we have seen that the causes of the current illicit trading and transportation of explosives in the free market (outside the state management) are the following:

—Explosives of state agencies and units are unlawfully traded.

—Lax management makes it possible for dishonest persons to appropriate explosives and sell them in the market.

—There are bombs and shells left by the war.

To find out the sources of explosives, we coordinated with the Economy and Planning Department of the Ministry of Energy to inspect a number of state-owned businesses authorized to use explosives. During these inspections, we found that most of the businesses did not scrupulously abide by the regulations laid down by the prime minister of the government. This means that they did not sign contracts for the purchase of explosives from the Mining Chemicals Enterprise (a unit of the Ministry of Energy entrusted by the prime minister with the task of supplying explosives to the national economy). If these businesses bought explosives from the Mining Chemicals Enterprise at all, they bought only a very small amount compared to their needs; most of the explosives they used were purchased from Army units.

In 1992 and 1993, the Bim Son Cement Corporation (of the Ministry of Building) bought 100 tons of explosives from Factory Z121, and the Trang Khen Quarry (in Haiphong) purchased 35 tons of explosives and 60,000 meters of fuse. Every year the Ha Tien Cement Corporation (the Ministry of Building) uses more than 100 tons

of explosives; in 1993, however, it did not buy explosives from the Mining Chemicals Enterprise. In 1992, 1993, and the first six months of 1994, the Building Materials Exploitation Corporation (the Ministry of Water Conservancy) bought 251 tons of explosives from Factory Z113.... On their part, Army Factories Z131, Z121, and Z113 produced a total of 5,297 tons of explosives in 1992, 1993, and the first quarter of 1994, but sold only 2,407 tons to the Mining Chemicals Enterprise of the Ministry of Energy and the rest to units in and outside the Army.

Our inspections also revealed that a number of state-run businesses such as the Da River Corporation, the Gia Thanh Quarry Enterprise (Ninh Binh Province), the Hoang Mai Quarry Enterprise (Nghe An Province), the Ha Tien Cement Corporation II... bought explosives only to resell them in large quantities to units not authorized to trade in explosives and even to private merchants. A number of Army and public security units purchased explosives for illicit trading. In 1992, every month the command of the Hoa Lu District military unit (Ninh Binh Province) sold nearly 4 tons of explosives and large quantities of explosive devices to unauthorized buyers. The Fire Police Division of the Nghe Tinh Provincial Public Security Service purchased tens of thousands of detonators and fuses for illegal trading. The PC23 Division of the Kien Giang Provincial Public Security Service bought 10,000 kg of explosives and 4,000 meters of fuse from the Ha Tien Cement Corporation II.

Some units have been very lax in protecting explosives, making it possible for evildoers to steal them in large quantities. Inspections revealed that in eight units alone, 70,857 detonators, 3,082 meters of fuse had been lost.

In the southern Zone 4, central, Central Highlands, and Eastern Nam Bo provinces, there still are many mine fields and large quantities of bombs and shells left by the war; many people have illegally extracted explosives from these munitions for sale.

The unlawful keeping, trading, transportation, and appropriation of explosives cited above have had serious consequences for national security and public order and safety.

First of all, explosives have fallen into the hands of reactionaries, who have used them to oppose and sabotage our state. Recently, we uncovered a number of reactionary organizations which bought up explosives in large quantities to carry out sabotage, to foment rebellion, and to engage in subversive activities in Ho Chi Minh City (such as the Tran Tu and Tran Manh Quynh cases).

Explosives have also been unlawfully traded and used for wanton coal, gold, and stone mining and fishing. These illegal activities have caused considerable losses of property and life; but an even greater danger is that they have seriously damaged the environment. In the sector of

aquatic products exploitation alone, in 1992 and 1993, explosives and explosive devices were used about 50,000 to 60,000 times for fishing purposes along the central coastal area, killing 83 persons, injuring 89 others, and sinking 200 boats. This is to say nothing of the destruction of the marine ecological system caused by the use of the explosives. At a number of hot spots created by land disputes, explosives have been used to destroy each other's houses (such as in Quynh Luu District, Nghe An Province). Explosives have also been used to commit serious crimes such as murder, robbery, settling old scores, and terrorizing and killing state cadres and employees.

The primary cause of the state of affairs mentioned above is lax management of explosives. According to the current laws, the Ministry of Energy is the only state agency that may manage and supply explosives to various sectors of the national economy (as stipulated by Prime Minister Decision No. 06-TTG dated 15 January 1994). On 17 January 1992, the Council of Minister Office issued Official Letter No. 191-CN to convey the Council of Ministers chairman's opinion as follows: "It is not advisable to set up an organ for the distribution of explosives in the General Department of National Defense Industry and Economy.... The Ministry of National Defense must prohibit all Army units not entrusted with the task of circulating explosives from trading in them."

However, in the past, a number of state agencies and Army and units have not only failed to scrupulously abide by the state regulations but have also issued illegal documents. On 12 February 1992, the General Department of National Defense Industry and Economy (the Ministry of National Defense) issued Document No. 159 authorizing three factories—Z131, Z113, and Z121—to sell explosives to economic units. This was in violation of the prime minister's decisions which permit these factories to only produce industrial explosives. Acting in line with the general department's wrongful policy, the three factories have sold large amounts of explosives to civilian businesses.

On 22 April 1992, the Bac Thai Provincial People's Committee issued Decision No. 119-UB-QD permitting various gold mining sites management boards to buy explosives. This has resulted in explosives being used currently in an extremely wanton manner at the gold mining sites in Bac Thai Province, a practice that state agencies have not been able to control. Some organs and units (including Army and public security units) not responsible for the circulation of explosives have also dealt in them. A number of responsible organs have issued explosives transportation permits to units not responsible for the circulation of explosives.

In the localities south of Zone 4 and Zone 5 and in the Central Highlands, there are large quantities of unexploded bombs, shells, and mines left by the war. Not strictly managed, these munitions are being sought by

many people who want to extract explosives for sale. Moreover, the illegal trading, keeping, and appropriation of explosives have not yet been severely dealt with.

Explosives are a special commodity needed for economic development. The state should devise a very strict management mechanism for explosives to prevent them from affecting national security and public order and safety. Any country must strictly control explosives. The violations and offenses cited above are extremely serious; urgent measures and adequate solutions are needed to restore order and put an end to the current unlawful trading, keeping, exploitation, use, and appropriation of explosives. If our state does not apply strict managerial measures and allows many state organs to use explosives arbitrarily, unfathomable consequences might continue to result. For this reason, we would like to suggest the following:

1. The state should instruct all sectors and levels to stop breaking the law. For example, they should revoke all documents that are contrary to the regulations issued by the prime minister and put an end to the illegal exploitation, trading, and use of explosives. The state should ask all agencies, organizations, and units to apply strict managerial measures in the production, supply, and use of explosives.

In the immediate future, there should be coordinated efforts and discussions among the Ministry of National Defense, the Ministry of Energy, the Ministry of Interior, the Ministry of Labor, War Invalids and Social Welfare, and the Ministry of Science, Technology and Environment to unify their methods of managing, supplying, circulating, and using explosives, and to work out realistic measures to restore order in the management and supply of explosives.

2. Since the current legal documents concerning the management of explosives were issued during the period of state subsidies, the state should reconsider, revise, amend, and perfect them to suit them to the current management mechanism. We should advance toward formulating and enacting legislation concerning the production, supply, and use of explosives by entrusting a responsible and competent state organ with the management of this special commodity.

#### \* Production, Sale of Explosives

952E0043B Hanoi QUAN DOI NHAN DAN in Vietnamese 2 Dec 94 pp 1, 4

[Article by Van Chung: "An Appropriate Management Mechanism for the Production and Sale of Explosives Should Be Adopted at an Early Date"]

[FBIS Translated Text] Explosive materials (explosives, detonating agents, primers, fuses) are a special commodity. For decades, the production of explosives in our country has always been closely linked with military demand and primarily carried out by national defense enterprises. In recent years, the demand for explosive

materials of many economic sectors (coal, minerals, and cement production; construction; roads and bridges building; hydroelectric industry, and so forth) have steadily increased. Aside from the explosive materials produced by various establishments of the energy sector, the remaining explosives used by domestic consumers (over 6,000 tons per year) are primarily produced by national defense industrial enterprises. This explosives production pattern is similar to that in many other countries in the world. This is because production of this special commodity is always closely linked with production of explosives for national defense purposes, which requires special technology, particular skills, great production organization and management capabilities, storage systems, and so forth.

Bringing into full play the strength developed several years ago, the state has authorized a number of qualified national defense enterprises to produce explosives to meet the demand of the economy. At present, production of explosive materials is concentrated in four national defense enterprises which turn out traditional products such as ammonal, detonating cord, fuse, various types of detonating tubes, detonating agents TX1-TX1A and TMN15, TNT, water-resistant Watergel TFD15 and Zerno explosives.... Several products have won gold medals at international trade fairs introducing Vietnamese industrial products and highly appreciated by users on account of their economic results. In addition, various national defense enterprises are investing in building modern production lines capable of turning out 6,000 tons of emulsion explosives per year. At present, the national defense enterprises have a total annual output of 6,000 tons to 7,000 tons of explosives. Operating at full capacity, these enterprises can produce from 10,000 tons to 12,000 tons yearly (satisfying about 80% of the domestic demand), turning out products that meet state-established quality standards. If the output of the establishments of the energy sector is also taken into account, our enterprises can produce sufficient explosive materials to meet domestic demand, thereby requiring no further importation of foreign-made products. What should be affirmed is that the national defense enterprises authorized to produce explosive materials are all properly licensed in accordance with the current regulations. The Ministries of National Defense and Science, Technology, and Environment, the Fire Control and Prevention Department (of the Ministry of Interior), the Labor Safety Inspection (of the Ministry of Labor, War Invalids, and Social Welfare), and the Ministry of Energy—all exert stringent control and supervision over the production and management of explosive materials. Most recently, the Ministry of National Defense issued Directive No. 318/CT dated 10 June 1994 concerning management and use of industrial explosive materials for economic purposes in the Army.

Those units purchasing explosive materials from national defense enterprises, such as the cement corporations or building materials exploitation corporations, are units licensed to use industrial explosive materials. If

any unit whose lax management results in the losses or sale of explosives to unauthorized users, such a unit should bear responsibility and should be promptly dealt with by upper-level supervising and managing organs and law-enforcement agencies.

Thus, the domestic explosives producing capacity and the domestic demand for these materials are roughly equal in terms of quantity, quality, and variety. What should be clarified on an early date is the state management mechanism for the production and sale of industrial explosive materials.

To date, Decision No. 6/TTG issued by the prime minister on 15 January 1964 remains the basic legal document on this subject. According to the directive, the government entrusts the unified management and distribution of some kinds of chemical agents, including explosives, primers, and fuses to the Ministry of Heavy Industry. Under the then conditions of state subsidies and because there was little demand for explosives by various economic sectors in the past, the distribution of explosive materials was regulated by legal norms, which specified the quantity of explosives involved and the addresses of units producing, distributing, and using explosive materials. According to the current management mechanism, there is no valid reason for such norms and such a distribution system to exist. At present, after the Ministry of Energy was set up, the buying and selling of explosive materials through the intermediary of an enterprise-level unit of the energy sector as it is being done now (and as it has been done for decades) is irrational. We should clearly see that Decision No. 6/TTG dated 15 January 1964 was correct and rational considering the situation at that time. Today, 30 years later, the state organs, the economic management mechanism, and demand for explosive materials have undergone ceaseless change and development organizationally. The rigid, mechanical maintenance of the current mode of management of explosive materials production and sale at a time when the state has not yet issued a new legal document with regulations consistent with reality has caused unnecessary irrationalities and losses. This is because according to this mode, the same enterprise-level unit directly subordinate to the Coal Import-Export and Materials Supply Corporation (or Coalimex, for short, of the Ministry of Energy) would act "as a ball player and the referee at the same time," thereby monopolizing the distribution of explosive materials and enjoying up to 11% to 13% in price differential—a profit margin that even those who have to endure dangerous, harmful, and arduous conditions to produce explosives would not dare to dream about. This is not to mention the fact that an intermediary in the buying and selling of explosive materials would only make mistakes, losses, and negativism more likely to occur. On the other hand, demand for explosive materials of various national economic sectors (aside from the coal industry) have steadily increased, and it is forecast that this demand may account for up to 60% of the amounts of industrial explosive materials used nationwide. For this reason, the

current mode of "distribution" is likely to make control of explosive materials impossible. Establishing joint ventures with foreign countries to produce and massively import explosive materials at a time when we are fully capable of meeting our own demand would hinder domestic production and cause many disadvantages. Since explosive materials are a special product bearing on national defense and security, the setting up of joint ventures with foreign countries to produce and import them should be considered and studied very carefully.

Since 1991, all sectors concerned have met six times on this matter, and all have agreed that there should be a legal document defining a new management mechanism to replace the outdated decision. But to date, such a document has not materialized. The Ministry of National Defense has issued a document proposing that the government promulgate new regulations concerning the management of the production, circulation, and use of explosive materials; that a ministry (or a sector or a committee) be entrusted with administering state management of explosive materials to suit the current conditions; that the Ministry of Interior, the Ministry of Science, Technology, and Environment, the Ministry of Labor, War Invalids, and Social Welfare... administer state management according to their functions.

With regard to sale of explosive materials, there still are numerous different views, but the most convincing opinion is that those establishments licensed to produce explosive materials should be permitted to sell directly to authorized users in accordance with state regulations. Pending promulgation of new regulations by the government, to overcome the difficulties in production and circulation, we would like to suggest that the government allow the Ministry of National Defense to direct the General Department of National Defense Industry and Economy to organize itself into a single organ charged with managing the production of explosive materials by various national defense enterprises under the supervision of the state agencies concerned.

The difficulties and irrationalities cited above are urgent problems that should be promptly resolved to improve the management and promote the production of explosive materials, thereby preventing unnecessary losses to both production establishments and units authorized to use explosive materials.

#### **'Declaration' on State of Hue Archdiocese**

*BK1501132095 (Internet) SEASIA Listserv in English  
15 Jan 95*

[“Declaration on the State of the Vietnamese Catholic Church in Hue Archdiocese (Including Thua Thien, Quang Tri and a Part of Quang Binh Province) Vietnam” issued by Tasteo Nguyen Van Ly in Hue on 24 November—“translate from the original Vietnamese copy”]

[FBIS Transcribed Text] To: All people of good will of the world

Ladies and gentlemen,

I am not aiming at presenting the state of the entire catholic church or the state of religion in general in Vietnam, for I may not have some accurate details. However, from the general state of Hue archdiocese, you would be able to understand the state of the entire Vietnamese catholic church.

Hue archdiocese has just gained a archbishop, temporary leader, for the archdiocese after six years of waiting; recently there has been an ordination for five new priests after fifteen years of absence; the archdiocese has just obtained a permit to re-open the Grand Seminary after sixteen years of closing. Is it true that religious life is prospering? Free? No, absolutely not.

Following is some sketches on the state of Hue archdiocese as proof:

1. Hoan Thien Petit Seminary, 11 Dong Da, Hue, is still being occupied under force since December 12, 1979, by the government, who has turned it into Nguyen Chi Dieu Junior and Senior High School. As a result, almost 300 seminarians have had to wander aimlessly and do studying at home instead. They can only wait for approval of their background and hope to be admitted to the grand seminary in a dripping manner as a grace of the government. The entire Hue archdiocese and all the people of Hue knew so well that this petit seminary was a place to produce priests, but the government intentionally lied that it was only a private high school in order to confiscate it.

More than 100 seminarians who were evicted by the government from Hoan Thien Petit Seminary and the Grand Seminary from 1979 have been wandering many places; a number had to flee overseas to become priests. Currently, there are 15 seminarians wandering in Hue, waiting for approval to enter the Grand Seminary. When such approval will arrive is unknown. What crimes did these seminarians commit? Is this not religious oppression?

2. The right to nominate and appoint bishops, the right to offer the sacrament of confirmation, the right to ordain and appoint priests and the right to select seminarians belong to the church in theory—the government does not interfere (Mr. Do Muoi's words)—but in reality, everything depends on whether the government agrees or not ("The people have the right to do every legitimate thing, but they have to obtain the government's prior approval.") In the entire 255 years that the church was under persecution (1630-1885), although bishops, priests and seminarians had to be in hiding, sometimes they were even arrested and killed, but those sacred rights were never lost: The church was always in control in ordaining and appointing personnel within its discretion. Today, although reputed as "free," the church indeed is very passive; it has to open its palms to ask for the government's grace; it cannot ordain or appoint the personnel that it thinks deserving and

needed. The government determines the number of grand seminaries allowed to stay open, the number of seminarians for each diocese, and the time for each admission exam. Thus grand seminaries are the government's schools to produce cadres! What rights does the government have to determine those numbers? Whoever called by God will enter seminaries, the church will accept whatever the number it has the capacity to handle, the church will ordain whoever it thinks deserving. This is God's call, not Marx's call or Socialism's call! For the last 18 years, the government has make Hue archdiocese lose about 80 priests that the church could have produced otherwise.

The government blatantly interferes into the internal affairs of the church, using pressure to orchestrate and steer things at its will, following the cruel principle that "The government has to manage everyone," founding its actions on an excessive concept of power—The government's law is supreme, aiming at a dark purpose of turning the church into a flexible instrument, a loyal servant, an obedient subordinate. All are covered within the rhetoric such as "Good life brings beautiful religion," "Freedom in order," "Obedience to God must accompany love for socialism." Because the church has not yet loved socialism, it is under all kinds of pressure. And the more the church is forced, the more it cannot love that tyrannical ideology that always forces everyone to learn it, to love it by any means. Every student, from first grade through college, has to thoroughly absorb the fundamental "truth": "To love the country today, one must love socialism." Tyranny on thoughts is the most horrible, most ominous kind of tyranny!

3. Former Temporary Leader (of Hue Archdiocese) Jacob Le Van Man was elected to that job by the Advisory Council pursuant to the church's law since 1990. For the last four years, the entire Hue archdiocese obeys him as the official leader, but the government intentionally denies approval, creating many obstacles and difficulties for the church. Is that not savage interfering into the affairs of the church? If he had committed any crime, the government would have arrested and tried him under the law. Had he been undeserving, the Advisory Council would have not selected him and the Vatican would have not approved the selection. Why is the government still not appeased? Is that because he still does not love socialism with all his heart? The status of Temporary Leader of Saigon archdiocese, Nicolas Huynh Van Nghi, is similar. What rights does the government have not to recognize them?

4. The selection of seminarians at both men and women seminaries has had to be done covertly under various forms. Until the time they took the life-time vow and became official monks and nuns, who among these seminarians in the last 15 years have been allowed to be officially registered at the seminaries? Everyone has to "do seminary works in hiding." Seminary work is not a crime, why one has to hide? For a seminary to establish a new congregation in a locality as the church needs, it

would be more difficult than walking to the sky. Immaculate Mother Convent (Phu Xuan, Kim Long) has facilities and buildings that the government has been renting for more than 19 years; no rent payment has ever been made and the buildings are still not returned (to the convent), although in theory the government says it is ready to return them. When? No place for seminary works even if one wants!

5. Parishioners from the new economic zones, from faraway parishes such as Quang Binh, Khe Sanh, Minh Dien, Nam Dong, A Luoi, each year at the time of Christmas and Easter, only hope to have a Mass, but such hope is hard to fulfill. The government raises one reason after another to delay issuing the church-building permit. Also, it allows no priest to come to perform Mass. Where is the sign that religious life is normal and prosperous?

6. The church wishes so much to work on education, health care, information, social services... but when will the church receive permission to re-open its schools, clinics, orphanages, houses for the handicapped and cultural centers that have been confiscated by the government under forced delivery?

Does the church have any paper or printing house of its own to dispatch its teachings? To have them, the prerequisite that must be met is "to stand firm on the socialist principles" or, at least, not to criticize the regime and the government. The right to free thinking, the right to freedom of expressing the faith, the freedom to teach the Good News and the Truth, the freedom to select schools and academic subjects for children... when will they be normal?

7. In Hue, because the late archbishop Phillips Nguyen Kim Dien fought so determinedly, the government failed in its attempt to establish the Unified Patriotic Catholics Committee. Now the government is inviting a number of priests and seminarians to participate in the People's Council, which is a governmental power organization. The hidden purpose is to use a number of priests, seminarians, and parishioners to propagandize socialism, to support the regime.

—Following are several general sketches about the Vietnamese catholic church and some personal prayers:

8. I don't dare to name any bishop or priest "government-owned," for I think that they may be trying hard, even in tears, to find a way for the church to be developed and to act. But what they are collecting upfront will not be enough to compensate for the great losses that will leave stigmas for a long time in history, that will distort the image of a church valiantly building the Kingdom of Heaven, freely speaking the voice of conscience, dauntlessly criticizing all injustices and mistakes from whatever direction, and will replace it by an image of a feeble church, kowtowing MORE AND MORE EVERY DAY, running after some fleeting conveniences upfront, knowing only of "collaboration" but

not of "resistance" (formula "collaborer en resistant" of Pope John Paul II), disappointing the great majority of God's people and many people of good will who used to admire the Vietnamese catholic church. Are they not trying to twist their tongues saying the words like "enthusiastic," "cheerful," "wise," "admiring" ... just to gain special privileges and benefits?

9. I have been accused of not paying attention to works on education, health care, social services, and of always making noises on freedom of religion. One thing easy to understand is that only with freedom of religion the church can stop evil things, better the society, and contribute many Christians who actively and ambitiously serve the world in many fields. Freedom of conscience and freedom of religion are the bases on which one may obtain and guaranty other freedoms. I would like to live peacefully to serve everyone, but at the foremost, because of the passion for the Lord and the love for mankind, I have to struggle for true freedom of religion, to keep on requesting persistently until the Vietnam has a religious life as NORMAL as that in many other countries in the world, where the citizens never raise their voice to request freedom of religion and the government never keeps on repeating the refrain: "The government guaranties freedom of religion" or "The (government's) religious policy is always consistent." One only has to read the petitions by the Vietnamese Bishops Conference to Vietnam prime minister, dated October 18, 1992 and October 26, 1993, to see that the Vietnamese church lacks so many basic rights, but it knows only of writing petitions and waiting and waiting.

Comparing articles 18 and 19 of the Universal Declaration of Human Rights of October 12, 1948, of the United Nations (of which Vietnam has been a member since 1977), the Declaration of Freedom of Religion of December 7, 1995 and the Declaration of Christian Education of October 28, 1965, of Vaticano II Conference (see attached documents [as received]), let's ask what basic rights the Vietnamese catholic church has?

10. It is possible that some people will criticize that when other priests are content to work, some even seem to be satisfied with everything, it seems I am the only one who keeps on requesting freedom of religion (since 1975, I have been arrested and jailed twice for requesting freedom of religion and am still in detention). Of course, there are many people who, by many means, are struggling as much as or more than I. But it is possible that there are some wise people who want to stay safe to continue services; if every priest is in jail, who will take care of services?

I hope that the true Christians and all the people of good will agree with my above ten-point declaration. I also affirm that, with me there have been, there are and there will be, many generations of Christians who want to share the grace of the history call of Moses, Jeremiah, Ezekiel... three thousand years ago: "Let my people go, so that they may hold a festival to me in the desert."

Exodus 5:1, "You must... say whatever I command you. Don't be afraid..." Jeremiah 1:7, Ezekiel 2:6.

Although undeserving, I commit myself to follow the example of the Vietnamese Martyr Saints, seminarian John Marcel Nguyen Tan Van who died for the faith on October 7, 1959 in camp Yen Binh 2, near Ha Noi, the Church and the silent Council of Bishops of China and, in the most recent time, the late bishop Phillips Nguyen Kim Dien, who was under misery for the faith and died for the faith on June 8, 1988 in Saigon. However, whoever intentionally harms me will blatantly violate article 19 of the Universal Declaration of Human Rights of the United Nations.

Please pray for me every day so that I have enough strength to accomplish the task the Lord has given me that I cannot delegate to anyone else. "The Lord has

shown me a place to stand, I have no right to flee." Letter to sir Diognelos, (?). [sentence as received]

I place this declaration under the protection of our Lord Jesus Christ, Mother La Vang, Great Saint Joseph, the Vietnamese Martyr Saints, and the international human rights organizations. Please help me to distribute (this declaration) widely so that my country will soon have true freedom of religion and freedom of conscience. With sincere thanks, I remain.

[Dated] Hue Communal House,  
The Day of the Vietnamese Martyr Saints  
November 24, 1994

[Signed] A little priest in Hue  
Tasteo Nguyen Van Ly  
17 Phan Dinh Phung  
Hue, Vietnam

## Micronesia

### Government Concerned Over Radioactive Shipment

*BK1801064795 Melbourne Radio Australia in English 0500 GMT 18 Jan 95*

[FBIS Transcribed Text] The Government of the Federated States of Micronesia says it is gravely concerned about proposed shipment of radioactive waste through the Pacific Ocean. It says the 13,000 ton-shipment of high-level radioactive waste is expected in the Pacific Ocean between March and April on its way from France to Japan.

The government says despite assurances from Japan that the Pacific regional governments would receive advance notice of this type of shipment, no notice has been received.

The Federated States of Micronesia had been sharing talks on a proposed treaty by South Pacific Forum countries to ban the importation or movement of toxic waste in Pacific Ocean. The treaty is expected to be signed by foreign leaders at their next meeting in September.

## New Zealand

### Trade Minister May Compete for WTO Directorship

*BK1501163095 Singapore THE STRAITS TIMES in English 14 Jan 95 p 7*

[Report by Irene Ngoo]

[FBIS Transcribed Text] NEW Zealand Trade Minister Philip Burdon has said that he will put his name up for the World Trade Organisation's [WTO] director-general's post if there is an impasse over the other three candidates for the job.

On news reports that he was the compromise "fourth man" being considered to unblock the stalled leadership contest, Mr Burdon said, in response to queries from The Straits Times on Thursday, that his position "is reserved".

"If a true impasse does develop, the government retains the option of putting my name forward. That remains the case," he said in a statement from Wellington.

The minister in charge of commerce and industry said he remained hopeful that an agreement could be reached.

"It would of course be unfortunate if a real impasse developed, but it is clear we're not at that point yet," He said.

Jockeying aggressively for the prestigious WTO post are former Italian Finance Minister Renato Ruggiero, former Mexican President Carlos Salinas, and ex-South Korean Trade Minister Kim Chul Su.

Gatt sources said Mr Ruggiero had the support of a majority of the 125 Gatt/WTO delegations but is not supported by the United States, which together with Latin-American countries, are backing Mr Salinas.

Dr Kim, who was dropped from his trade, industry and energy portfolio and named Ambassador for International Trade in the recent South Korean Cabinet reshuffle, has support in the Asia-Pacific region.

A Gatt official in Geneva told The Straits Times on Thursday that the hotly-contested race had reached a "deadlock" as there was no consensus among the trade delegations.

"The only way out of this is for two of the candidates to withdraw their nomination," he said, as was the case with Gatt chief Peter Sutherland's appointment. Two other Latin-Americans dropped out.

Mr Sutherland is willing to stay only until March 15 in the hope that the on-going consultations will produce a successor by then.

Going by the active campaign tour the three contenders have embarked on to lobby support, signs are that the current leadership tussle is likely to be protracted.

Mr Salinas is reported to be touring the Middle-East and Mr Ruggerio, now executive vice-chairman of Fiat Spa based in Turin, has travelled quite extensively all over Europe.

Dr Kim said in Seoul on Thursday that he would begin a campaign tour of 10 nations, including the US, Japan and some European Union countries, next week to push his campaign.